Buy Victory Bonds

THE FINANCIAL POST

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The Nation's Business

Victory Loan Objective Well Within Reach

With Canadian savings deposits standing at $1,750 millions there is no excuse for Canada to fall down in the Victory Loan campaign.

The War Savings Certificates campaign, increased income taxes and the National Defense Tax were directed at the greatly expanded incomes of the Canadian people. The expansion in incomes has been uneven. The levy on incomes fell both on those who have and are enjoying increased incomes and on those whose incomes are static or lower. But simple justice in taxation is difficult to obtain.

The Victory Loan campaign is directed not at incomes but at savings. It is designed to get into action the money in idle savings accounts and to stimulate new savings. And there will be no injustice in it. Each person sets his own quota, dictated by his conscience and his means.

That there is sufficient money in the savings accounts of the Canadian people to make the loan a success is apparent. This is not to suggest that all money in savings account is available for medium or long term investment. But much of it is. This is the money that must be attracted to enlist in the war effort.

There will be a strong drive on "institutions" and on "corporations." To the extent that these companies have cash reserves available for investment they will be expected to support the loan to the full. But such firms cannot invest their current working capital in the loan any more than a private individual can permanently invest money he is putting aside to pay a life insurance premium or real estate taxes next fall.

The bonds will be sold. Of that there can be no doubt. But the real test of the success of the campaign will be the degree to which they are sold to people who buy them out of money they have saved or are ready to save within the next few months.

The Victory Loan is the largest financial operation this country has ever tackled. Behind the campaign is the most efficient organization of workers ever assembled for any similar task.

In this campaign the nation is indeed being tested under the eyes of world opinion.

The demand that it makes upon our resourcefulness and our resources is not greater than they are able to meet. Let us put the loan over as a successful achievement whose record will resound down the years.

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NO SMUG SELF-SATISFACTION HERE

William S. Knudsen and Sidney Hillman, joint leaders of U. S. defense production, have made a report on the achievements of the first year of all out effort by their country.

Both express themselves as dissatisfied with the results but express the hope that production will increase every month from now on.

Mr. Knudsen's statement said "We are not, by any means, satisfied with the progress to date. We need the help of every manufacturer, engineer and production worker to get this industrial machinery speeded up to its highest efficiency."

This lack of self-congratulation, this rejection of smug complacency, is refreshing.

Moreover, it is likely to get results. Constant reiteration of the statement that we are months ahead of schedule is no way to inspire people to put forth the extra effort that is necessary. It is specially bad when, as has so often been true in Canada, the statements about different items of war equipment have not been based upon the facts.

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MR. ROOSEVELT'S CHALLENGE TO CANADA

President Roosevelt's declaration of an "unlimited national emergency" is certain to stimulate a tremendous speed-up in the American defense production programme.

In most respects Canada is far ahead of the United States effort. In some respects, although we are an active belligerent, we are lagging behind actual U. S. achievement; or will lag behind as the steam rises in the American boiler.

If the President succeeds, as seems likely, in bringing about a more rapid reorganization of American life for concentration on total defense against war, it is possible that Canada will, in a few weeks, find itself actually doing relatively less to defeat Hitler than the United States will be doing.

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In the British Commonwealth Air Training Scheme Canada, assisted by the other British nations, is achieving a success that is as important as it is inspiring.

In our broad policy of war finance, which is gradually changing over the very living habits of our people to enable resources to be diverted to war, we are also facing realities. No one can say the nation as a whole is stinting its material resources, either for our own war effort or to aid Britain.

But not in all respects is there displayed in our war policies as realistic an appreciation of the crisis as was shown by the President this week.

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In labor policies the Government is weak-kneed. Wage increases and cost-of-living bonuses all over the country threaten to break down the finance minister's barriers against inflation.

In recruiting and training men for the fighting services there has been no consistency of policy; no imagination. There has been the grossest timidity about calling up young men for active service to their country in its hour of greatest peril.

In the production of munitions and supplies there is still much confusion. The brilliance of results in certain fields is matched by the glossed-over failures in others. Many people have lost faith in public statements of the Minister as to the progress of production. They have found many of his promises and progress reports unreliable. Unlike Knudsen and Hillman, he is too easily satisfied. The Minister continues to run many jobs outside of war production. He does not delegate responsibility and control effectively. There is no one business executive who heads up the whole production programme.

The Cabinet, from which leadership should stem, remains a wholly partisan conglomeration of a few able men and a number of leftovers from prewar days, who have proved their inability to measure up to the terrible responsibilities of war. It would be unfair to render final judgment on the expected Cabinet "shake-up" on the basis of newspaper guesses. There is, nevertheless, no indication that Mr. King has the slightest intention of arming this country with Cabinet leadership adequate to the task.

President Roosevelt's challenge to the American people may indeed be taken by Canadians as a challenge to ourselves. Are we going to let the Americans speed ahead of us in the fight for freedom? The answer lies with Mr. King more than with any other man.

The first session of the newly appointed International Material Co-ordinating Committee, of United States and Canada, was held in Montreal last week. Shown here are the four members just before they settled down to the task of examining the raw material resources of both countries for the production of arms and munitions. From left to right are: William L. Batt, Washington, deputy director of the Production Division of the U. S. Office of Production Management; H. J. Symington, K.C., Montreal, Power Controller for Canada; E. R. Stettinius, Jr., Washington, director of the Priorities Division of OPM; and G. C. Bateman, Toronto, Metals Controller

Gasoline To Be Rationed Unless Transport Race Won

Inroads of Battle of Atlantic on North American Supply Facilities May Force Curb on Use of Automobiles

Gasoline will be rationed in Canada and the United States if the race to extend transport of supplies in this hemisphere fails to win over the inroads of Atlantic ship sinkings.

Use of cars for pleasure driving and home-to-office transportation would be sharply curtailed if not suspended, under tentative plans already drafted. Authorities deem rationing of gasoline for essential purposes only to be inevitable, if ship casualties in the Battle of the Atlantic cannot be kept down or reduced in the next half year or so.

A definite possibility is restriction of driving to an hour in the morning and an hour in the evening except by special permit. This would allow some leeway for driving to and from work, but would curb joy-driving in the evening and limit driving during the day to essential business operation.

Lack of Tankers

As reported in The Financial Post last week, shortages may arise if many more tankers plying American coastal waters have to be shifted to the transatlantic route, before construction of pipe lines and tankers can catch up with requirements. Plans for the pipe line between Portland, Maine, and Montreal are being rushed, as are other lines between oil fields and seaboard in the United States.

If rationing becomes a fact, it will be aimed at non-essential gasoline and oil consumption, with pleasure driving the first to suffer. Oil Controller George R. Cottrelle has completed a survey of gasoline consumption in Canada, which will be the basis of gasoline rationing if such a step becomes necessary.

Car Use Extensive

Survey shows passenger car operation in Canada averages 9,823 miles annually, ranging from a high of 10,936 miles in the Maritimes to a low of 9,143 miles in British Columbia. Urban mileage is higher than rural, averaging 11,294 miles per car against 6,827 miles in the country.

About 40% of the total mileage is for pleasure, 60% for business. But in urban centres, where business use accounts for 54.6% of the total mileage, 40% of the total goes for transportation from home to office and around town, only 14.4% is in business travel.

Big problem in urban centres will be cutting down on the 44% who go to work by automobile. If these all took to using public transportation systems, the load on these facilities would be more than doubled. This branch of the survey covered Montreal, Toronto, Winnipeg, Vancouver and Ottawa. It was found that 86% of those now going to work by automobile live half a mile or less from available public transportation, 94% within three quarters of a mile.

Stiff Problems

Except for pleasure travel, cutting down consumption of gasoline offers many stiff problems. In Vancouver, for example, the highest proportion (65%) use automobiles to go to work. Vancouver would seem a logical place for drastic curtailment. But if all these automobile users switched to public transport the added load on public systems would

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Earnings Down For Electrolux

From Our Own Correspondent

MONTREAL.—Electrolux Corp. has advised the Montreal Stock Exchange net profit for the three months ended March 31 totalled $432,916, after providing income tax at the 1940 rate and setting up reserve of $37,200 for probable increase in Dominion income tax for the period. This was equivalent to 35 cents a share on the common stock, compared with $521,424, or 42 cents a share for the corresponding period of 1940.

More Power At Niagara From Deal

Maximum use for power purposes of the international water flow at Niagara Falls, within the limits of present generating equipment on both sides of the river, is assured by new arrangements for additional immediate water diversions.

In Parliament, Prime Minister Mackenzie King announced an agreement reached through an exchange of notes with Washington permits extra diversions for power development "to meet urgent war needs."

The Prime Minister did not give any details, but The Financial Post is reliably informed that the deal provides for use of an additional 5,000 cubic feet per second on the American side of the river, by the Niagara Hudson Power Corp.; and 3,000 c.f.s. more on the Canadian side, by the Ontario Hydro-Electric Power Commission.

Give 35,000 H.P.

The extra Canadian flow will be utilized entirely by the "Toronto Power" plant at Niagara Falls, one of the three operated by the Hydro Commission in the Niagara district, and will yield the equivalent of 35,000 h.p. additional when adjusted to the general load factor of the main Hydro system.

The Hydro Commission since last November has been using an additional 5,000 c.f.s. through the "Toronto Power" and "Ontario Power" plants at Niagara. This was allotted under the deal permitting the Hydro to take out at Niagara the flow put into the Great Lakes system through the Long Lac and Ogoki diversions into Lake Superior.

Officially, the new diversions are apart from, and potentially additional to, the increased power flows provided under the St. Lawrence

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Is Canada Playing Shylock?

Here Are Facts About Our Aid To Britain

This week telegrams received by The Financial Post from the United States indicated that an old canard has been revived. The canard is to the effect that while the U. S. "leases" and "lends" war materials to the United Kingdom, this country demands cash on the barrel-head for its aid to Britain. Moreover—so the story goes—Canada is making a nice big profit on everything it sells.

The story was spread around, at the time of the Lease-Lend debate, by American isolationist propagandists like Senator Burton K. Wheeler and radio-commentator Boake Carter. It was then answered by facts given by Prime Minister Mackenzie King to the House of Commons March 25. Revival of the propaganda this week is traced to a statement in the magazine Life that "strong influences in Quebec have prevented Canada from adopting . . . a measure similar to the U. S. Lease-Lend Act. Canada still sells to Britain for cash, at a profit."

The statement that Canada still sells to Britain "for cash, at a profit" reveals a misconception or ignorance of the facts.

Canada, in its contribution to the war, has undertaken a direct war effort that, in itself, will strain the material and spiritual resources of this country. But in addition Canada is assisting Britain in acquiring essential supplies

To correct the misunderstanding, The Financial Post herewith presents the facts.

I. Our Direct War Effort

Canada has been actively at war with Germany since September, 1939, and against Italy since June, 1940. Canada does not regard its own active participation in the war as "assistance" or "aid" to Britain. Rather it considers it as a contribution to the common democratic battle against the totalitarian powers; as its share in the fight for freedom.

Canada's own war budget for the current fiscal year (to March 31, 1942) calls for expenditures of $1,300-$1,450 millions on navy, army, airforce and miscellaneous war costs.

Included in these direct war expenditures is Canada's share of the British Commonwealth Air Training Scheme. Most recent estimate of the cost of this scheme is $824 millions through to March 31, 1943. Of this total Canada will contribute $531 millions. Canada supplies the largest proportion of the students although most of the air crews trained will fight with the Royal Air Force.

(For a further breakdown of Canada's war expenditures, see page 9 of this issue).

Canada's direct war expenditures will this year take 25% of Canada's greatly expanded national income. This is in addition to all other public expenditures—Dominion, provincial and municipal.

These war expenditures are being made entirely by Canada. They do not represent "leasing" or "lending" but, to use Prime Minis-

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Ottawa Loses Millions If Pools Not Taxed

From Our Own Correspondent

OTTAWA.—The Department of Justice is expected to issue, almost immediately, a ruling whether or not the Western wheat pools and similar organizations are liable for income tax. One of the following situations is likely to result from the decision:

1. Either such organizations are to be ruled as no longer true co-operatives and therefore automatically liable to income tax, or
2. The Income Tax Act may be revised to tax those so-called "co-operatives," which are not really such, or
3. All co-operatives may be made taxable as in England.

If the first decision is made then presumably taxes would not only be collectible on last year's profits, estimated in the case of the three main provincial wheat pools to be around a million dollars, but also taxes and penalties on all previous years profits back to 1930 when the original pooling scheme was abandoned. At that time the pools became for all practical purposes simply ordinary joint stock companies, doing business in exactly the same way as the ordinary privately owned grain company.

Strong Opposition

Such a decision, of course, would reflect on the efficiency of the income tax branch which would be put in the position of not having collected income taxes due over the past 10 years. Undoubtedly, too, there would be political repercussions since pool membership, though not nearly so large as it once was, still embraces thousands of western farmers.

On the other hand, a revision of the income tax act to eliminate the exemption on co-operatives might also generate wide opposition because such organizations are operating all over Canada and include in addition to agricultural produce, consumer products, fish, fruit, insurance and a score of other products and services.

Against this actual and potential opposition, of course, is the necessity for the Government obtaining all possible revenue, and the pressure from ordinary joint stock companies which maintain that the grain and other pools now are in no way distinguishable from any other competing business and yet enjoy a 40% tax preference. If such a condition continues, they argue ordinary companies will be forced either to go out of business or reorganize on a so-called "co-operative" basis. In both cases the Government would lose important tax revenue.

Basis of Exemption

The exemption of co-operatives was based on the fact that, theoretically, real co-operatives have no profits. Members subscribe sufficient capital or post bonds to create the credit to provide working capital and equipment. All profits beyond necessary overhead are turned back to members in exact proportion to the volume of business created by those members. Originally western wheat pools operated under such a plan, did business only with their

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The War And Business . . *A Weekly Round-up*

Roosevelt Is Ready

President Roosevelt's address this week strikingly confirmed the summary of the new American policy made in this column last week. Then it was said that the U. S. was already in an undeclared war against Hitler; that the U. S. was determined to beat Hitler to possession of any strategic ports or islands threatening the Americas; that a plan more effective than "convoys" for delivering goods to Britain — the Atlantic patrol—was already in effect; that the new U. S. policy is not one of merely helping Britain but of protecting American interests directly.

These were all keynotes in the President's address.

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Steel Rise Coming?

Demand for steel is expected to reach a peak next September; a peak in relation to present capacity.

So far industry has done an excellent job in holding prices at pre-war level. As costs are rising steadily, a revision of the price schedule is expected.

The price rise will be deferred a little longer by the new regulation licensing construction. This will tend to create a small slack between supply and demand which will relieve to some extent pressure on the industry.

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Survey War Sinews

Special committees are already at work surveying the economic war resources of Canada and the United States with a view towards synchronizing production. The committee will complement the work of the Canada, United States Joint Defense Board, which is charged with the physical defense of North America. First step will be a full inventory of war resources, particularly of manufacturing equipment facilities and raw material.

On this inventory shipments of war materials from one country to the other will be based, as provided under the recent Hyde Park declaration. It is expected that between $200 and $300 millions of Canadian war materials will find an annual market in the United States.

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Exchange Deal

Despite recent sharp denials in Canada occasional hints still continue to come from Washington that some sort of an exchange equalization deal, is in the offing. Most authoritative of these hints came from no less than Secretary of the Treasury, Morgenthau the other day.

Talk of Canadian dollar parity, however, is believed have been advanced largely by Americans unfamiliar with actual Canadian conditions. They did not realize apparently that the premium on U.S. funds has now become in the nature of a "vested interest" here. Scores of Canadian companies and possibly whole industries now depend upon this premium for their profit. Most notable examples are gold and newsprint companies, the output of which is almost entirely marketed in the United States.

Were this premium on U.S. funds to disappear overnight and without compensation or time for adjustment, Canadian economists claim there would be almost unbelievable dislocation.

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N. D. T. and Payrolls

How much does the National Defense Tax take out of payrolls? One of Canada's largest companies figured it out. On last year's rate N.D.T. took 1.3% out of weekly pay envelopes. On the new rate it will come to 3.2%.

This company's business has expanded greatly under war conditions, Annual wages have increased very substantially—an average of several hundred dollars per employee, in fact. The contribution of 3.2% to the war effort is small compared to the higher wages received by the workers.

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Naval Strength

Naval strength is closely guarded secret in wartime and few if any men know exactly how many ships both Britain and Germany have actually in commission at any given time. Shrewd guesses, however, would place number of capital ships in service before this week's battle, by Britain at about 15 by Germany not more than 3. On this basis then, the destruction of the Hood would be the equivalent to a 7% loss to Britain but the Bismarck represents a 33 1/3% loss to Hitler.

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Prices to Rise

Commodity prices in Canada so far in this war have admittedly been kept well in hand. The cost of living index since the outbreak of war has risen only 7%. Ottawa officials, however, are expecting that the real testing time is still ahead. They fear pressure from the United States, where a huge industrial expansion is getting rapidly under way and also the possibility that the spread of the war at sea might interrupt shipping. Several of Canada's key consumer products come to this country largely by water. Notable examples are sugar, wool, coffee, tea, and tropical fruits.

Helping to keep the cost of living under control in this war, as compared with the situation 25 years ago, is the fact that the governments of Canada, United States and Great Britain, this time control very large surpluses of key products. In wheat, cotton, sugar, wool, tea, tin, copper, pork products, butter, etc. these governments either actually possess large stocks or have purchase agreements that give them very effective control. It will be difficult for some foreign speculator or two by four foreign country to stage a corner.

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Soon in Butter Business

Look for the Dominion Government to be in the butter market before the end of summer.

The new minimum prices will make it attractive to increase output. Output should be well in excess of demand by the end of July, is already running 13% above a year ago.

There being no incentive for the speculator to buy and hold in anticipation of a price rise, the Government will probably have to step in and finance the accumulated stocks through outright purchase or advance.

In some quarters it is suggested the Government might, when the time arrives, buy the surplus and sell it to the U.K. at a discount.

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Capital Expenditures

Since the beginning of the war $425 millions have been spent by the Department of Munitions and Supply on new plants and equipment. This total approximately equals the total industrial investment in either Montreal or Toronto. During the past year capital expenditures of this kind have averaged $30 millions monthly.

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Wheat Tax

There is talk, as yet unconfirmed, of a possible change in the wheat processing tax. This has been a highly contentious piece of legislation and its administration has not been working out well.

The millers don't like it. The bakers don't like it. But before anything is done, it is possible the Government may suggest to the bakers they do something about lowering the costs of distribution.

It costs nearly 3 cents to distribute a loaf of bread. It is felt the milling and baking industries could "pick up" the 15 cent a bushel processing tax if this distribution cost was lowered to more reasonable levels.

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National Income Boost

National income of the United States based on 1929 prices will run between $80 and $90 billions this year, it is estimated by Dr. W. L. Crum, Harvard economist. On the basis of a 12-1 difference in population this would be equivalent to a national income for Canada of approximately $7 billions.

Actually Finance Minister Ilsley in the recent budget estimated it at slightly under $6 billions for the current fiscal year. However, at 1929 prices the Ilsley estimate would approach the $7 billion mark. In both countries, of course, the recent sharp gain in national income—it has risen 35% in Canada since the war—is attributed to one main course, expansion in war industries.

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Holidays Essential

Even in wartime and on war contracts Canadian employers are finding that there is still truth in the old "all work and no play" warning. Already in those plants which have been working at top speed a certain measure of industrial fatigue is reported. The result is more mistakes and less volume. As a corrective, more plant executives are insisting on employees taking regular holidays sometime this year and are eliminating all but the most essential overtime.

Canadian experience in this respect duplicates that of the British Isles. After the collapse of France last year, in a feverish effort to make good equipment losses, war plants worked night and day seven days a week. Hours of individual workers were extended to ten and twelve a day in some cases. Results were almost disastrous. After a spurt volume actually declined and continued to decline until more normal working hours were restored.

Still Tighter Controls On Prices Expected

By STAFF WRITER

KINGSTON.—Still tighter wartime controls over prices and essential supplies to offset new factors working to press prices upward and pinch of previous supply sources, are foreseen by Dr. W. A. Mackintosh, wartime economic adviser to the Government.

The spreading scope and increasing pace of the United States defense programme will inevitably aggravate both the price control and war supply problem in Canada, Dr. Mackintosh told the annual meeting of the Canadian Political Science Association.

Hitherto, he pointed out, U. S. influences had tended to ease rather than accentuate Canadian need for price control. And relying on the U. S. to meet shortages of materials and equipment had been, with certain exceptions, a problem of exchange and fiscal policy rather than one of supply.

From now on, he thought, the U. S. would rapidly cease to be the "bottomless reservoir" to fill Canadian supply deficiencies. At the same time, any upward price trend in the U. S. as full employment blooms from the defense programme, will greatly increase Canadian problems by "interdependence and contagion." Further upward pressure on the Canadian price structure may also result from limitation of supplies from the United Kingdom and other countries, and further employment and scarcity of materials within Canada.

More Positive Action"

"More positive and formal action" would be required, Dr. Mackintosh said, to deal with the interrelated problems of price and supply in the period of "quite different conditions," which he foresaw as "highly probable if not certain" in the immediate future. Dr. Mackintosh, who is special assistant to the Deputy Minister of Finance and assistant to the chairman of the Economic Advisory Committee, forecast that:

> "Encroachments on civilian supply to the extent of enforcing economies but not deprivation, will undoubtedly be more continuous and less spasmodic.
>
> "The application of priorities will necessarily be extended and will affect civilian supply in some lines. Difficult problems of the integration of priority systems with those of the United States will have to be faced. The integration is essential unless the two

(Continued on page 4, col. 1)

Hat News
FROM
EATON'S

Just Arrived
From England!
'Battersby'
Lightweight

We've just received a shipment of these noted hats right from England! They come in a lighter weight fur felt designed for summer wear . . . your choice of four popular, up-to-the-minute colours: Teal Blue, Light Grey and Dark Grey. Sizes 6¾ to 7⅜. Price each

5.00

Main Store—Main Floor

THE T. EATON CO LIMITED
TORONTO CANADA

New 15% Levy Brings Added Protests

Canadian and U. S. Capital Not Relieved By Amendments

Opposition to the 15% Dominion of Canada withholding tax and the parallel 16½% rate in the United States continues. Four major classes of investor and borrower are concerned: Canadian companies with 75% or more of their assets in the United States; U. S. corporate or individual investors whose U. S. income taxes are at rates of less than 15%; companies whose outside subsidiaries are not owned 100%; and Canadian provincial and other borrowers.

Others are affected by the two taxes, such as the private Canadian investor, but if his U. S. holdings can be liquidated on normal markets, the private Canadian investor can avoid paying the U. S. tax by selling and reinvesting in Canada.

In Canada, strongest opposition has come from provincial borrowers, particularly Ontario. Extension of the exemption from the tax which originally applied only to federal obligations, to those of provinces and other bond issuers where interest is payable in U. S. funds is not regarded as satisfactory by these borrowers.

Discrimination Alleged

The argument that this is a form of discrimination is met by the Dominion Government with the argument that having entered into a contract with foreign and domestic creditors on its obligations, it cannot proceed to break that contract by reducing its payments 15%. Other Canadian debtors point out that their contracts are equally sacred and that the U. S. investor should not be discriminated against because he happened to assist Canada by investing in corporation, municipal or provincial bonds rather than those of the Dominion.

The allowance of full payment on obligations in U. S. funds is regarded as a step in the right direction, but the opinion of these borrowers is that the same allowance should be made on payment in Canadian funds. These, it is claimed, are just as important from the point of view of fulfilling contracts, and the American investor in these obligations is already hit by the exchange discount, so that his income is hit by deductions of 15% and then over 9% when he converts into his own currency.

No Longer Voluntary

Another point raised against the 15% tax is that the American investor, with certain exceptions, is no longer investing voluntarily in Canada. Foreign exchange control restrictions prevent him from liquidating his investment, whereas the Canadian subject to the 16½% tax can sell in the U. S. markets at will.

But all the grievances are not on the American side. U. S. wholly-owned subsidiaries in Canada are exempt from the 15% tax, but there is no such restriction on the U. S. levy. Companies like Moore Corporation, Hiram Walker-Gooderham & Worts, Distillers Corp.-Seagrams, with 75% or more of their assets in the United States are now subject to the 16½% deduction on dividends from subsidiaries. These firms do not pay Canadian income taxes on income received from outside Canada, while income from Canadian subsidiaries is taxed at the subsidiary, dividends to the parent company being free of tax. Unlike other firms which can deduct the U. S. levy from other Canadian taxes, these companies have not sufficient other taxes to absorb the withholding tax.

Under other circumstances, companies of this type would likely reincorporate in the United States at a substantial tax saving. The saving under the old 5% rate was negligible, being absorbed by other U. S. taxes. But today, if these companies considered their financial interests only, and were not prevented from migrating by foreign exchange restrictions, a move of headquarters to the country where the majority of the assets are located would clearly be profitable.

Representations Made

Representations have been made to omit the U. S. tax on dividends from wholly-owned Canadian subsidiaries, as in Canada. A reciprocal arrangement would have a better chance of going through if it were not for domestic U. S. taxes which are already levied on inter-company dividends. To reduce the tax on such payments to non-resident corporations would put the Canadian holding company at an advantage over the U. S. holding company.

Generally speaking the full impact of the tax is being felt only by those who are not able to liquidate foreign investments and whose domestic taxes are at a lower rate than the withholding tax to be paid.

Any possible damage to non-Federal credit may be quickly repaired after the war. In the meantime, a majority of investors on both sides of the line find compensation from the fact that the withholding tax is deductible from other taxes. Others feel that it is a comparatively small price to pay in order to help safeguard the principal invested.

Ottawa Loses Millions If Pools Not Taxed

(Continued from page 1)

own members and handled all the grains marketed by each member.

Ten years ago, however, the pooling idea was completely abandoned. Grain was bought from any grower and as much or as little as that grower decided to sell. It was stored in elevators built by the pools and sold in exactly the same way as grain handled by the regular trade. Pools acquired seats on the Winnipeg Grain Exchange to handle their business. They took out public elevator licenses and went after everybody's business.

Pool's Capital

Only part of the capital necessary to handle this new, expanded business and to provide the huge string of country and terminal elevators necessary was provided by the original pool members. The latter contributed a levy on each bushel of wheat handled. But the amount so collected was insufficient to provide all capital necessary. In the case of the largest pool, the Saskatchewan Wheat Producers Ltd., assets are listed as follows.

Sask. Wheat Pool Assets

	$
1,086 country elevators	14,929,877
4 terminal elevators	10,097,692
359 agents cottages	565,967
Temporary bins	340,458
Work under construction	393,894
Head office bldg. and site	217,208
Modern Press and Western Producer	106,971
Office equipment & autos	411,999
Land and sites	364,725
Total	27,428,792

A recent official release from the Saskatchewan organization explains how these assets have been acquired. It states:

> "Of this huge sum less than half was contributed by the members in cash. Elevator deductions taken during the years 1924 to 1928 inclusive amounted to $12,188,060. The balance largely came from earnings set aside as depreciation reserve, which is kept working by being reinvested in the elevator facilities."

Elsewhere in the release it is stated that "These facilities are owned by the shareholders and controlled by them through their elected delegates and boards of directors." Presumably these shareholders are the original pool members and do not necessarily include any farmer who may have sold grain to the organization since pooling was abandoned.

Liquid working capital of the Saskatchewan wheat pool is officially reported at $6,733,437 and made up as follows:

	$
A.—Commercial reserve	2,765,113
B.—Operating reserve	2,829,431
C.—Insurance reserve	100,000
D.—Undistributed int., 1928-29	281,111
E.—Undivided profits	257,783
F.—Excess earnings, 1939-40 (not distributed)	500,000
Total	6,733,438

Regarding the possibility of dividends the official release has this to say:

> "The last three items D. E. and F. will be distributed to the shareholders as soon as the opportunity arrives, in the form decided upon by the delegates in general meeting."

It will be noted that the pool no longer talks of its members but speaks of them as "shareholders." Western observers see no difference between these shareholders and those of, say, United Grain Growers, whose profits are taxable.

The competing private grain trade contends that these profits should be taxed on the same basis as their profits are taxed. Under the recently increased income tax, it is asserted, the pools are enjoying a 40% preference and with this virtually threaten the very existence of tax-paying competitors. In representations to Ottawa the following points have been stressed:

1. Financial structure of pools almost identical with ordinary companies and repeated reference is made in annual statements to "shareholders" and "profits."
2. Pools now operate under public license and do business with any farmer, no longer confining services exclusively to own members.
3. Pools charge same storage and handling rates as ordinary trade.
4. Pools at public meetings have professed to offer full assistance to country's war effort yet contribute no income tax.
5. Pools no longer distribute any surplus revenue back to grower shippers as would be the case with genuine co-operatives, but are holding this for distribution among shareholders, presumably the original group of farmers who developed the pools.
6. Similar tax exempted organizations have already spread into other lines of business, dairy products, oil, implements, etc., and threaten further spread as result of 40% (tax) preference, thus threatening companies operating in these lines and the Government tax revenue provided by these companies.

Ottawa Has Missed These Taxes

The following is an estimate of income and excess profits taxes that would have been paid by the western grain pools had they been treated as ordinary joint stock companies:

Year ending July 31	Manitoba	Saskatchewan	Alberta
1930	*	$145,203	$ 1,440
1931	*	197,712	45,371
1932	*	46,990	46,967
1933	$ 8,370	101,754	22,382
1934	16,958	47,001	10,534
1935	5,970	25,664	nil
1936	6,149	22,827	46,427
1937	2,601	nil	nil
1938	64,565	nil	nil
1939	58,704	5,866	76,209
1940—Income tax	73,174	271,756	127,986
†Excess profits tax	117,762	200,377	116,103
Total	$354,253	$1,065,150	$493,419

Grand total — $1,912,822

*Not available.

†Excess profits tax for year ended July 31, 1940, figured on basis of allowing 10% return on capital employed. If basis of standard profits was taken, excess profits tax would be substantially higher.

Market Opinions

Magazine of Wall Street, N.Y.—Nearly five months have elapsed since daily trading last attained the million share mark. Such protracted dullness has frequently preceded significant moves in the past.

Under the circumstances, the average individual appears fully warranted in maintaining a well-invested position. Uncertainties admittedly exist in the market outlook, and for that reason speculative issues should comprise only a small part (if any) of one's security list.

Brookmire Counselor, N.Y.—After establishing a fractional high over the top of the range of the past month, the industrials backed down and are now about midway between the limit of this narrow range. The rails did not accompany this rally and are still around the low of last month. Volume was too low to give any indication.

Failure of the rails to confirm the action of the industrials is rather disappointing, but until either one of the averages confirms any definite move of the other, indications continue to be inconclusive.

Groups in favorable technical positions include: building, chemicals, coppers, electric equipment, machinery (including agricultural), mail order, railway equipment and steels.

Get More Power At Niagara Falls

(Continued from page 1)

seaway treaty. Actually, they closely match the treaty diversions and in effect make them available now without waiting for the pending ratification of the treaty in Washington and Ottawa.

Ahead of Treaty

The treaty allows extra diversions of 5,000 c.f.s. on each side of the river on completion of remedial works to regulate the water flow at Niagara and protect the scenic assets at the Falls, plus such further diversions as may be permitted in future after expert study of effect of the remedial works. If power concerns at the Falls had to wait for ratification of the treaty and construction of the remedial works, it might be some time before any extra flow became available.

The present speeded arrangements will permit use of hitherto idle generating capacity for the duration of the war.

Power Corp. Units Output Declines

Canada Northern Drop Chief Cause of Group's April Showing

From Our Own Correspondent

MONTREAL.—Output of subsidiary and affiliated companies of Power Corp. of Canada in April totalled 218.7 million kw.h., compared with 219.5 million kw.h. in the same month last year.

Largely responsible for the decline was drop in Canada Northern Power output to 61.8 million kw.h., from 63.6 million in April last year.

Southern Canada Power showed a slight drop, as did East Kootenay Power. British Columbia Power, Northern British Columbia Power and Winnipeg Electric registered gains.

Following are comparative output of subsidiary and affiliated companies in April:

	April 1941	April 1940
	—000's of kw.h.—	
So. Can. Power	26,459	26,849
Can. Northern	61,805	63,586
East Kootenay	8,722	9,124
B. C. Power	49,088	48,069
N. B. C. Power	1,142	1,032
Winnipeg Electric	71,462	70,889
	218,678	219,549

Canada's Silk Imports Off 50%

Silk Industries Already Well Adjusted For Change

Canadian silk-using industries are already largely adjusted to the reduction in silk imports to 50% of former requirements which goes into effect June 1. Imports in the first four months of 1941 have been about half as large as the corresponding 1940 period in quantity, about 40% the dollar value. Figures follow:

Canadian Silk Imports
Four Months Ended Apr. 30

	1941	1940
Volume (pounds)	408,559	801,438
Value	$1,218,092	$2,904,264

Imports for consumer goods are even smaller than the figures indicate, as these include silk imported for military purposes, largely parachutes. Use of silk as insulating material in electrical equipment has been maintained without restriction.

Fabric makers have dropped using silk entirely except for cleaning up small inventories, while hosiery mills have only imported sufficient silk to keep inventories equal to five months' requirements under the new quotas.

From June 1, on, Canada's hosiery requirements will be met by 50% natural silk, balance to be made up of Bemberg and fine-spun cotton from Britain, viscose (rayon) from Canada and nylon from the United States, later from Canada. Supplies of materials to replace silk will come about two thirds from Britain, balance largely from Canada. Later this year or early in 1942, C. I. L.'s nylon plant will get into production, bringing the total of replacement yarn supplied in Canada to about two thirds of the total. It may be that further restriction on natural silk imports will then go into effect, but no decision on further curtailment has yet been announced.

New 50% silk stockings are not likely to appear on most retailers' shelves for another two months, while existing stocks are sold. When they do appear, according to representatives of the industry, little if any difference in texture will be visible and few will be able to detect the difference by touch. Canadian viscose yarn has been adapted to the fineness required by full-fashioned hosiery at considerable expense, and knitting plants have adjusted machines and methods to the complicated technical problem of knitting blended yarns.

Although stocks of the replacement yarns are not large, Canadian productive capacity is regarded as adequate, and shipments from Britain have so far not suffered from enemy action.

Gasoline Will Be Rationed If Transport Race Lost

(Continued from page 1)

amount to 240% of the present burden. For every person now carried, the Vancouver systems would have to carry 3.4 persons.

Of the large cities, Montreal would have the smallest additional load, amounting to 76% of the present burden, Toronto would be second with 83% and Ottawa third with 110%. Winnipeg would occupy fourth place with 118%.

The survey goes deeper than mere numbers, carrying its research into the age, sex and occupation of automobile users, and breaking these down by the purposes for which gasoline is consumed. All these factors will be taken into account if gasoline rationing goes into effect.

Methods of Restriction

Method of restricting consumption will have to be simple and understandable by those affected. Various proposals would restrict driving to one hour in the morning and one in the evening, curb week-end driving except by permit, and apply rationing on a mileage or gallonage basis.

Although ship sinkings have been reported by President Roosevelt at twice the current building capacity of Britain and the United States, U. S. oil men do not look for oil rationing until October, and then only if the combined U. S. and British convoy system is unable to check the Nazi shipping raids.

Peak consumption of gasoline is in summer and of fuel oils in winter, but shipments of all oils reach two peaks in spring and fall, when stocks are built up. Barring excessive rises in demand, U. S. oil observers anticipate that there will be no need for rationing this summer and if rationing goes into force in the fall, it will probably affect residential fuel oil first.

With rail and tramway equipment generally adequate for current demands only, and with replacements difficult if not impossible to acquire as a result of priorities and foreign exchange requirements, policy will be to place as little extra load on these facilities as possible. In any event rationing will likely be temporary, in effect only until additional means of transporting oil can be placed in operation.

Where the War Loan Cash May Come From

Where will people get the money they are going to lend the Government?

Much of it will come from the savings accounts in the banks and other repositories.

According to the April 30 return of the chartered banks to the Minister of Finance there is over $1.7 billion of savings on deposit. If to this is added the savings deposits in the trust and loan companies, Quebec savings banks, Ontario and Alberta savings offices and Post Office savings, the amount would probably be increased by $230 millions, to a total of over $1.9 billion.

Not all of this would be available for lending, however. Most people will want to keep some capital on hand. But even if the entire objective of $600 millions for the loan were realized from savings deposits alone, it would take less than $1 of every $3 on deposit.

Other Deposits

In addition to savings deposits there are demand deposits of over $1.1 billion in the banks.

These represent mainly working capital of corporations and individuals, held available for immediate needs. It is likely, however, that a considerable volume of this is available for safe investment.

In addition to tapping their savings deposits the people will also lend substantially through their life insurance assets. It is understood that the companies in Canada this year will invest practically all their available funds in Canada in war loans. This has been indicated as likely in excess of $75 millions.

Not all the funds of the life companies are available for investment in Canada. Those which do business in other countries are required by law to keep a proportionate amount of their investments there.

Aid From Industry

The amount that industry will lend in the Victory Loan is difficult to estimate. At the time of the second war loan, many corporations loaned up to the hilt. A number of mining companies, for example, show that their entire excess of current liabilities over current assets has been invested in war loan. Except where such companies have been expanding, little more can be expected for the Victory Loan.

Other industrial companies may be in a better position.

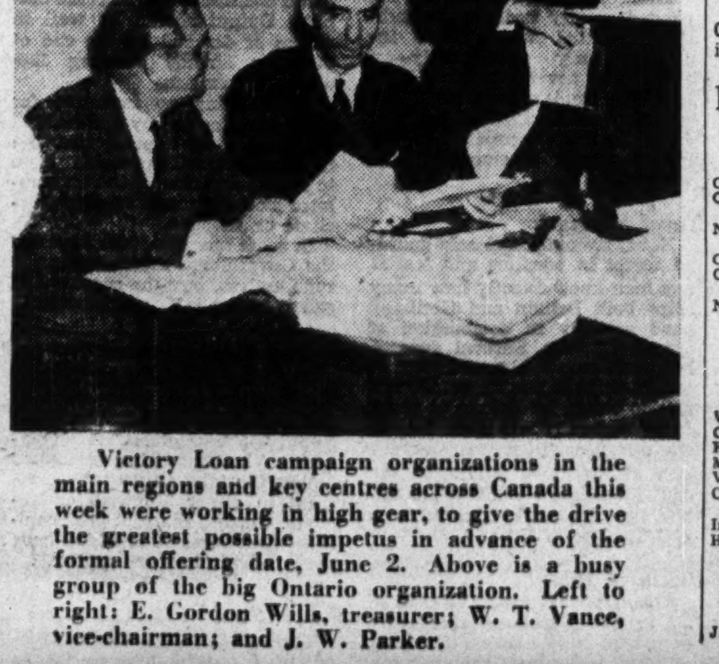
At the time of the second war loan many firms had working capital tied up in goods for Government contracts, on which they had not received payment. In some cases industrial firms had actually been forced to borrow to finance this production and had no surplus for lending. While some of these companies are not yet in a lending position, others will have received payment and may have surpluses for investment.

Need Support From All

But the success of the loan will not be achieved through the large corporations. Success will come if individual Canadians subscribe a minimum of about 20% of their bank accounts and cash. The total money of Canada is around $3 billions, including currency and deposits. Subscribing 20% of this amount will make the $600 millions loan a success. Since a considerable part of the $3 billions is tied up in business working capital, individual Canadians will have to subscribe more than 20% to meet the loan.

What this means in various sections of the country cannot be determined in relationship to cash on hand in those areas. But the objectives set for the nine provinces are as follows:

	Millions of $
British Columbia	46.5
Alberta	16.5
Saskatchewan	7.5
Manitoba	27.0
Ontario	312.0
Quebec	162.0
New Brunswick	9.0
Nova Scotia	18.0
Prince Edward Island	1.5



Can't you See? You MUST buy VICTORY BONDS
Help finish the Job!
Buy VICTORY BONDS

Victory Loan campaign organizations in the main regions and key centres across Canada this week were working in high gear, to give the drive the greatest possible impetus in advance of the formal offering date, June 2. Above is a busy group of the big Ontario organization. Left to right: E. Gordon Wills, treasurer; W. T. Vance, vice-chairman; and J. W. Parker.

DIRECTOR

Herbert Begg, president of Shaw & Begg Ltd., has been elected a director of Pacific Fire Insurance Co. of New York. Mr. Begg is also president of Wellington Fire Insurance Co., chairman of the Trusts & Guarantee Co. and a director of a number of other financial institutions.

Chas. Gurd

While gross sales of Chas. Gurd & Co., Montreal, were off only $5,000 from the previous year, a net loss of $17,191 was shown compared with net profit of $50,706 in the year ended March 31, 1940.

Earnings were cut by the Quebec provincial sales tax, which slowed sales, and sugar costs rose 35 cents a hundredweight. The excise tax on carbonic acid was increased from 2 cents to 5 cents a pound, hitting earnings.

Loss of $13,583 was incurred during the year by standardization of containers and $4,975 was written off advertising supplies.

Working capital fell from $356,891 to $188,621, largely due to transfer of containers and display equipment from current assets to fixed assets. This item is valued at $144,642 in the balance sheet.

Quarterly dividends were deferred on the preferred stock May 15 this year to conserve cash position. No common dividends were paid.

Profit and Loss Account
Years Ended March 31

	1941 $	1940 $
Operating profit	119,814	166,024
Less: Exec. sals.	12,650	16,125
Directors' fees	1,860	430
Legal	1,354	......
Tax & licenses	79,433	72,173
Net oper. profit	24,515	77,296
Less: Depreciation	23,149	20,877
Loss on containers	13,583	......
Write-offs	4,975	......
Inc. tax res.	......	5,713
Net profit	*17,191	50,706
Less: Pref. divds.	16,800	16,800
Com. divds.	......	18,000
Surplus for year	*33,991	15,906
Add: Prev. surplus	237,797	259,627
Less: Invent. w/o	15,000	37,735
Conting. res.	24,419	......
Prior inc. tax	2,625	......
Surplus forward	161,762	237,797

*Loss.

Working Capital

	$	$
Current assets	211,074	389,294
Current liabilities	22,453	32,403
Working capital	188,621	356,891

Balance Sheet Changes

	$	$
Cash	4,456	61,155
Call loan	16,987	......
Dom. bonds	14,812	......
Accts. rec. (net)	93,522	104,220
Inventories	81,296	223,919

Obituaries

J. H. Woods, president, Calgary Herald, aged 73, at Calgary.

J. R. K. Bristol, manager, tariff department Canadian Manufacturers' Association, aged 72, at Toronto.

George K. Morrow, founder and first president Gold Dust Corp., later the Hecker Products Corp. and former president Standard Milling Co., aged 67 at New York.

J. T. Kearns, secretary-treasurer, Chesterville Larder Lake Gold Mining Co., aged 83, in Toronto.

Public Utility Earnings

Brazilian Traction

April:	1941 $	1940 $	Incr. %
Gross earnings	3,428,969	3,087,970	11.04
Oper. expenses	1,568,222	1,516,882	3.38
Net earnings*	1,860,747	1,571,088	18.44
Four Months to Apr. 30:			
Gross earnings	13,240,000	11,939,899	10.89
Oper. expenses	6,223,001	5,908,200	5.33
Net earnings*	7,016,999	6,031,699	16.34

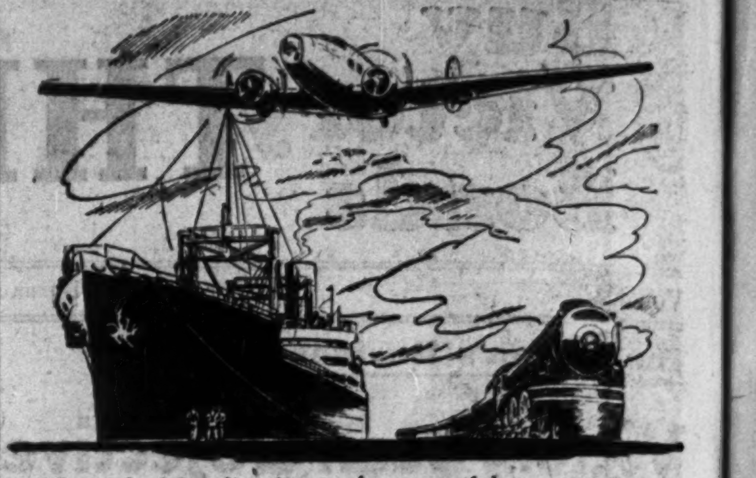
*Before depreciation and amortization.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Viceroy Mfg.	4½%	1952	July 1	103
Cons. Press.	6½%	1949	June 1	103
Fam. Players	‡5½%	1942	June 1	101
Morrison Brass	§7½%	1947	July 1	101
Victoria Realty	∥6%	1948	July 2	102½
C. P. R. (note cert.)	4½%	1944	June 15	100½
Inter-C. Bak.	*5½%	1948	July 1	102
H. Walker-G.†	4½%	1945	June 1	102½

Drawn by lot:
*$44,000. †$207,000.
‡$350,000. §$2,000. ∥$13,500.

Stock Issues:
J. S. Mitchell .. 7% Pref. June 5 †110
†Plus accrued dividend.



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Urges Drastic Revision Of Balance Sheet Form

Proposal for revamping the presentation of company statements is submitted by K. LeM. Carter, Toronto chartered accountant in the current issue of the Canadian Chartered Accountant.

Mr. Carter criticizes conventional forms on the grounds they show revenue accounts only, do not show capital transactions in the period unless the reader deduces these from a comparison of balance sheets at the beginning and end of the year. Working capital can only be ascertained by calculations from the balance sheet. The same is true of other assets, and equal difficulty is often experienced in determining the shareholders' interest and the net amount of capital employed, he says.

Again, most auditors' statements assert the balance sheet sets forth "a true and correct view of the company's affairs — in accordance with the books of the company." Mr. Carter objects to the "true and correct view" on the grounds that balance sheets are at best an approximation of the situation at a given moment. The more important view is that provided by the revenue accounts, although frequently the auditor comments only on the balance sheet.

Mr. Carter presents a new version of a company's annual statement. Beginning with the income account, which should be kept simple as possible, free from unwieldy accounting terms and unnecessary itemization, he describes the factors which have influenced balance sheet changes: income and surplus account changes, and such capital transactions as purchase of new equipment, issue of stock or bonds, etc.

His balance sheet is drawn up to show invested capital, i.e., shareholders' interest, including earned and capital surpluses, plus funds borrowed. Next step is to show how these funds are invested, first in fixed assets, then in current assets from which current liabilities have been deducted. The balance sheet of Mr. Carter takes the form of the equation:

Shareholders' interest + borrowed funds = fixed assets + working capital; as compared with the standard form:

Total assets = liabilities + shareholders' interest.

In Mr. Carter's balance sheet, working capital is shown last and is followed by a note explaining how much it changed during the year, and from what sources the increase or decrease in working capital is derived.

Some of these suggestions are already being embodied in company statements, such as the explanation of changes in cash and working capital position. Use of the revised form of balance sheet to show capital invested would be particularly advantageous now that this has become an important basis for calculating excess profits in many companies.

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ADMINISTRATION OFFICER WANTED

Applications for the position of Commissioner of Finance and Treasurer of the Corporation of the City of Toronto will be received by registered post, addressed to the undersigned, up to noon of Tuesday, July 15th, 1941.

The duties of the Commissioner include the collection of Revenue, the preparation of the Estimates, control over spending, and the advising of the Corporation in financial matters.

The annual expenditure of the Corporation is approximately $40,000,000.

The salary presently paid is $12,000.00 per annum.

Applicants are required to furnish information as to qualifications, experience, age, and salary expected.

J. W. SOMERS, City Clerk.

Features
in the June issue
THE CANADIAN
CHARTERED
ACCOUNTANT

- Provincial government accounting and financial control
- Financial statements of a corporation
- The use of accounts
- Control of manufacturing expenses
- Limitations of the Canadian budget
- 1941 Provincial tax amendments
- The United Kingdom income tax
- Labour in Nazi Germany

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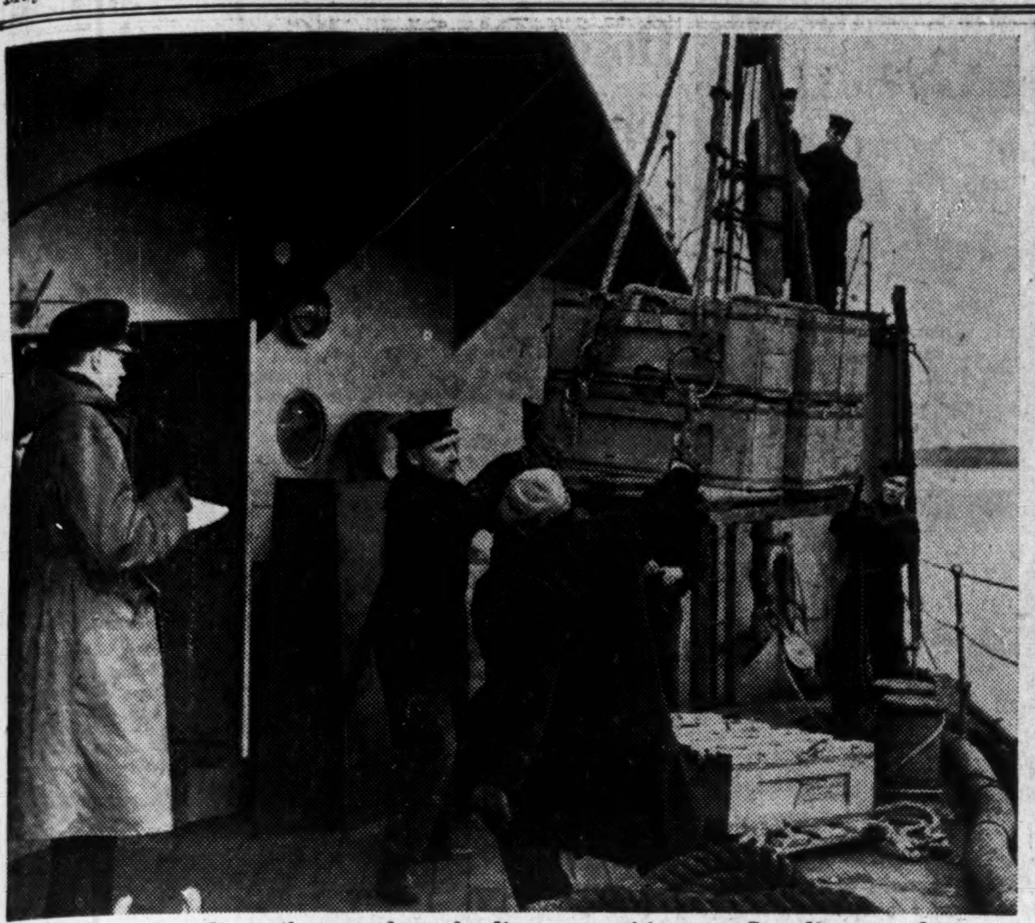

Husky Canadian sailors are shown loading ammunition on a Canadian armed merchant cruiser before putting to sea for active service. The Royal Canadian Navy has a total of 195 ships in service with 17,000 men. Completed since the war and building are 110 corvettes, 60 minesweepers and 100 merchant ships of 9,600 tons. The Navy is recruiting for a final strength of 25,000 men.

London Calling

By Atticus

Nazi Night Raiders do a Gotterdammerung on London — Bennett and Manion Cross the Atticus Path — General Says Invasion of Britain "Impossible"

LONDON.—If the adage "live dangerously" still holds good, it cannot be said that we Londoners have been failing to live up to it. I do not mean that our fellow citizens in the Provinces have not experienced equal or greater risks, but there was a wild extravagance about a recent Wednesday raid that turned the London scene into something fantastic and macabre. At 4 o'clock in the morning I stood on the roof of a hotel in Piccadilly and saw such sights as would have stirred Richard Wagner to greater heights than he reached in "Gotterdammerung." In fact, one billowing mass of flames was so deeply red and ominous that it might have well passed for the final scene of that opera when Valhalla becomes alight and consumes Brünnhilde (and presumably her horse).

It was strange to look in another direction and see a row of burning, dignified mansions, many of them familiar to one's memory, going to their doom with a splendid effrontery like aristocrats facing the guillotine. Never has London seemed so splendid, so significant. The very fires lent glory to her and paled the late rising moon into insignificance.

* * *

Lord Kimberley

While all this was going on, as if it were a devil's pantomime, there was stark tragedy in many quarters. The Earl of Kimberley was among those killed. All who knew him could not fail to be drawn to him by his courage, his charm, and his splendid humanity. As Lord Wodehouse he fought gallantly in the last war with the 16th Lancers, winning the M.C., being wounded and twice mentioned in dispatches. After the war he entered politics, and was for a time one of Mr. Churchill's secretaries at the Colonial Office—a department of which his grandfather was once chief.

It is almost forgotten now that his grandfather was Foreign Secretary under Lord Rosebery. Many people have thought that the name Kimberley was taken from the town in South Africa, but actually the town was named after the first earl. The Wodehouse baronetcy was created in 1611 and the barony in 1797. Even those who quite logically claim descent from the gardener Adam and his wife cannot but be impressed by the fact that for more than 500 years there has been a direct Wodehouse succession. And it will be continued now by Lord Kimberley's son.

"Jack" Wodehouse was doing useful national service in this war, but it is inevitable that he will be remembered more for his days as a polo player.

* * *

In Portland Place

It is symbolical of the retiring Chinese Ambassador's philosophy that he maintained his Embassy, which is close to the B.B.C., notwithstanding the attention which the Luftwaffe has given to that institution. Many people of varying degrees of distinction have called to say their farewells. His Excellency met those he knew with the simple greeting: "Well, my friend." That greeting was bestowed alike upon Viscount Simon and Mr. Eden despite their conflicting views in the past on League policy in the Far East.

* * *

In Belgrave Square

The Duke of Alba was host on Wednesday to a small luncheon party which included three generals and an ex-premier in the person of R. B. Bennett. General Fuller does not believe in the possibility of an invasion of these islands. General Odlum (commanding the 2nd Canadian Division) not only thinks the Germans will try to invade Britain, but looks forward to our invading Germany. General Sir Hubert Gough was content to describe his experiences with the Home Guard. The Duke of Alba, like the courtly host that he is, supported neither side and eventually led the conversation into nostalgic reminiscences of those far-off days when one played golf at St. Moritz in the summer and played at the tables at Monte Carlo in the winter. We did not talk of Spain, although R. B. Bennett reminded me that Napoleon also conquered the whole of Europe except Russia, Britain and Spain.

* * *

A Former Leader

Col. R. J. Manion, the late leader of the Conservative Party in Canada, has been in Britain to make a survey of the auxiliary services provided for the welfare of the Canadian troops here. Like Mr. Wendell Willkie, who did everything to help President Roosevelt's "Aid to Britain" policy after his defeat at the polls, Colonel Manion has not allowed his political eclipse to mar his enthusiasm for the national effort.

Colonel Manion is a doctor with an excellent record in the last war, and was chosen as successor to R. B. Bennett when he retired from the leadership of the Canadian Conservative Party. It happened, however, that the zeal of one of Mr. Mackenzie King's critics precipitated a general election early in the present war, and Colonel Manion, like the Jugoslavs, did not have time to mobilize his forces. Not only did his party suffer severely, but he himself met defeat, and he relinquished his leadership.

He met the bludgeonings of chance with good humor and wise philosophy. Perhaps he reflected that a period in the political wilderness is often a prelude to triumph. Perhaps he was glad to be out of it. At any rate his heart is now where all loyal hearts should be, in the achievement of a victory over Hitler.

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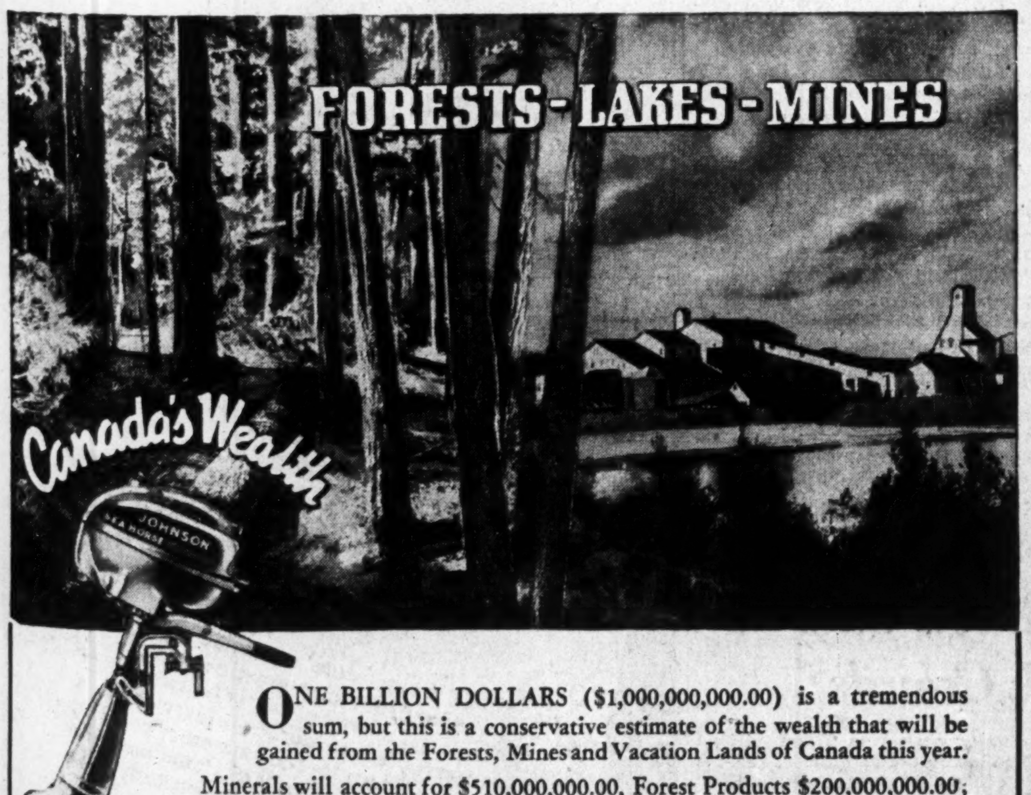

ONE BILLION DOLLARS ($1,000,000,000.00) is a tremendous sum, but this is a conservative estimate of the wealth that will be gained from the Forests, Mines and Vacation Lands of Canada this year.

Minerals will account for $510,000,000.00, Forest Products $200,000,000.00; Trapped Furs $10,000,000.00 and the Foreign Exchange anticipated from Tourists visiting our Land of Lakes and Rivers $315,000,000.00.

A country that possesses such Natural Wealth spells SECURITY to the financial mind, OPPORTUNITY to the enterprising generation and to all citizens COMFORT and PROSPERITY.

In exploration and development, the Prospector, the Forest Ranger and Fire Patrol, the Tourist Visitor and Sportsman for fish and game, make the utmost use of Canada's waterways; and for Dependable water transportation the Johnson Sea-Horse Outboard Motor is recognized for its Service, Portability, Economy and Outstanding Value.

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JOHNSON MOTORS PETERBORO CANADA
BUILDERS OF PRECISION PRODUCTS
VICTORY BONDS ARE GOOD SECURITY

Canada Calls in Her Experts

Investment Dealers Skilled Victory Loan Army

By J. E. LANGDON
Staff Writer, The Financial Post

OTTAWA.—No. 240 Wellington St., Ottawa, is a small, drab, three-story frame building. Monday the group of men it houses will have their first relaxation in three months. The first part of their job will be done. Canada's Victory Loan, 1941, will have been launched.

In February the Government called a meeting of bankers, investment and security dealers. They were asked to organize the campaign and see that the job was done. On March 10 Canada's 1941 Victory Loan campaign was under way. A national committee was set up. An organization chart was laid out on paper and the names of key workers quickly filled in. A duplicate of this central organization was established in each province.

By the beginning of April 1,000 professional bankers and security dealers were giving all their time to the work of organizing the Loan campaign.

One month later 2,000 men were on the job and this month the number had swelled to 3,000.

Behind them is an army of 15,000 canvassers.

The organization for this war loan campaign is an impressive demonstration of co-operative effort and patriotic fervor.

Another thing: Putting over the war loan is simply a matter of selling bonds and Canada has a group of experts in that work.

Called on Experts

To do the job, these experts have been called in, mobilized like an army. They are the investment and security dealers of Canada.

They have left their own business interests, and across Canada security dealers offices have been virtually deserted for weeks. They have submerged their own identities, abandoned their contacts with their clientele, and joined together in a great co-operative campaign.

The Victory Loan campaign of 1941 has been organized on a business basis. A Dominion committee, under the chairmanship of G. W. Spinney, joint general manager of the Bank of Montreal, was the first step.

Then came the creation of four major divisions: publicity, organization and distribution, special names and administration and finance.

With this basic framework established, the next move was to set up the nine provincial organizations. Actually they duplicate the national administration, but go a step farther, because they are subdivided, usually into three groups.

Finally there are the unit divisions which do the selling—600 of them, organized to canvass every citizen in the Dominion.

The task of selling $600 millions—and more—of bonds meant the Dominion had to be canvassed for prospective buyers in a way never done since the Victory Loans of the last war. Duplication of effort had to be eliminated. Competition between dealers, as in previous Dominion loans, was out.

Vast Campaign

The Dominion publicity committee arranged one of the most extensive advertising campaigns ever planned for this country: motion pictures, radio programmes, press releases, speakers and the printing of millions of pieces of literature and promotional material.

Some idea of the work is indicated by the list of material prepared and distributed by the national committee:

100	Large pledge flags.
3,500	Small pledge flags.
150	Large honor pennants.
4,300	Small honor pennants.
30,000	Canvassers' kits.
30,000	Canvassers' pins.
30,000	Official auto stickers.
2,325	Poster lobby cards.
100,000	Large poster cards.
125,000	Poster display cards.
100,000	Poster hangers.
1,000,000	Blotters.
1,525,000	Pay envelope stuffers.
1,000,000	General stuffers.
1,300,000	Investors' pins.
1,000,000	Investors' certificates.
40,000	Industrial posters.
5,000	Industrial certificates.
4,000	Local publicity booklets.
12,000	Speaker's Manuals.
125,000	Programme booklets.
6,500	Sponsored pamphlets.
2,600,000	Illustrated booklets.
7,000,000	Application forms.
100,000	Foreign language bills.
450,000	Workers' letters.

In addition to English and French literature, the committee prepared promotion literature in Hebrew, Chinese, Japanese, German, Czech, Hungarian, Polish, Icelandic, Norwegian, Croat, Finnish, Swedish and Ukrainian languages.

This tremendous promotion campaign is tied in with one central theme—the Torch.

Plans provide that every householder in the Dominion will be approached for his or her subscription. No one will be able to say they were not approached. There are 15,000 canvassers who will see to that.

The spearhead of the selling drive is the unit chairman. He is a well-known individual in his community. These men have been carefully picked; men to whom their community looks for leadership.

Get Wide Distribution

Working with the unit chairman are the professional investment dealers who, with their wealth of experience, are able to guide and help secure as wide a distribution as possible for the 1941 Victory Loan.

Back of the publicity and selling divisions is the administration and finance section in each of the provinces and at Dominion headquarters in Ottawa. The work of this committee is not spectacular, but it is highly important. Selling the Victory Loan is, in the final analysis, a business proposition. Expenses of the loan have been carefully estimated. It is the job of "administration and finance" to see there are no unnecessary expenditures, and a continuous audit is being made by the Auditor-General's Department to see that expenses are kept within the budget.

The professional investment dealers have not put a price tag on their patriotism. Up to this week they still had no idea what the Government may allow them as compensation for the full-time task they have undertaken.

Keeping Posted

By J. C. KIRKWOOD

Trans-Canada Road

Closing the gap of 153 miles between Geraldton and Hearst in the Trans-Canada highway is proceeding. It is expected that this work will be made ready for traffic by the autumn of this year. In addition to closing the gap in Canada's 4,000-mile transcontinental highway, the Geraldton-Hearst road will provide a much needed link between the two northern communities.

Awaiting the first motorist to cross the Dominion entirely by car is the A. E. Todd gold medal. This stretch of road has been roughly prepared by prisoners from Burwash Industrial Farm. When the road is ready for general use it is expected the population of many of the small communities nearby will increase. For national defense the new highway is essential. An illustrated story of the construction is in the May issue of Bus and Truck Transport.

* * *

Wartime Housing

What the average man thinks is merely a job of building small houses for defense workers where new housing is needed turns out to be, in addition, the building and operation of small and large boarding houses and restaurants in communities all across Canada. Some of the staff houses will have accommodation for 88 men. "These colonies of houses will have no resemblance to the 'pill boxes in the field,'" says Victor T. Goggin, general manager of the new government-owned company, Wartime Housing Ltd. Single story houses will be intermingled with two story houses, and color and varied roof treatment will break up monotony of appearance. Care is being taken in design for correct insulation. Heating will be by hot water, steam or stoves.

Details are given in the May issue of Sanitary engineer.

* * *

Precedent

Has a national advertiser of a price-maintained product the right to refuse to sell a retailer who would slash his maker-fixed consumer price? According to a court decision the answer is yes. The courts decided that if the manufacturer feels that a store will injure the reputation of a product he does not have to sell to that store. The court decision — as reported in Drug Merchandising — stated that the company's refusal (the Elizabeth Arden Sales Corp.) to sell a particular drugstore chain was based only on the desire to maintain its products as prestige commodities. This particular case is considered as setting precedent on a manufacturer's control of choice of retail outlet.

* * *

For the Dubs

Probably most Post readers are golfers. Some of them "shoot" 100 or more. In Maclean's, June 1, the article, "Cheer Up, Dubs," by the Canadian sports writer, H. H. Roxborough, gives solace. Every mistake the golf dub makes, the professional duplicates on his off days.

A MESSAGE TO FATHERS OF MINOR CHILDREN

- A trust offers valuable protection to your children and your estate. It makes the appointment of a guardian unnecessary and avoids the heavy expense incident thereto. It also enables you to provide for the continuance of our management for your estate beyond your children's twenty-first birthday until, in your judgment, payment of principal should be made to them.

Crown Trust Company
Executors :: Trustees :: Financial Agents
MONTREAL TORONTO

On to Victory!

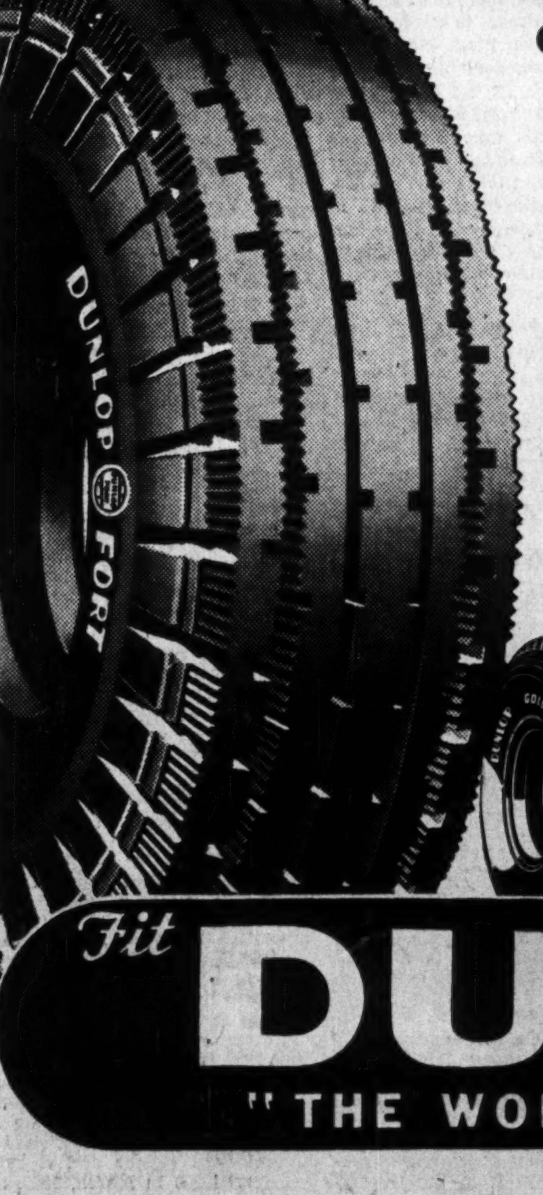
CANADA'S AUTOMOTIVE INDUSTRY IS A VITAL FACTOR IN THIS WAR OF MOVEMENT

Canada's Automotive Industry is geared to victory! Plant after plant is rolling out a steady stream of Gun Tractors, Gun Carriers, Transports and other Army Vehicles vital to this war of movement.

Dunlop-Canada, too, is geared to victory . . . its plants and workers employed on war equipment. And this wartime activity is benefiting every user of Dunlop Tires. Tested and proved by the rigid, searching requirements of wartime manufacture . . . Dunlop is, more than ever, the world's standard of quality.

Ask your Dunlop Dealer about the famous Dunlop "Fort" with its 2000 solid rubber teeth. There's a Dunlop for every purpose at prices that challenge comparison in every price range.

Play safe. Specify DUNLOPS on your new car or truck



Fit DUNLOP
"THE WORLD'S FINEST TIRE"

Investment Trends

Victory Loan Takes Investment Centre

Best Way to Assure Better Stock Markets is to Help Successful Campaign to Finance Canada's War Effort

Until the Victory Loan objective of $600 millions is reached ordinary stock markets are going to be neglected. And when the loan objective is achieved it will leave greatly reduced new cash for investment.

There is hardly anything of an entirely domestic nature that can provide such an aid to confidence in this country as overwhelming success in putting over the loan.

Stock market indices hover around what are generally regarded as critical support points. Penetration of the lows established last June would indicate likelihood of further decline. On the other hand ability to hold above these support points and make gains would be distinctly encouraging.

There seems only one sound bit of advice to give Canadian investors right now—buy Victory Loan Bonds.

Consumer Industries

War changes the position of practically all investments. Those generally classified as consumer industries do not escape. They feel taxes, price controls, priorities and other factors just as do any others.

From New York comes a recommended investment policy on consumer goods, manufacturing and distributing industries, prepared by Delafield & Delafield, New York, Stock Exchange members. This firm summarizes its recommended policy as follows:

1. Where shares of strong, well-managed consumer goods enterprises have declined to a level that discounts unfavorable influences, there is little reason for investors to sell such holdings. Particularly is this true of shares in companies whose liquid resources are large enough to permit continuation of a liberal dividend policy throughout the present trying period.
2. The present may be a particularly unwise time to adopt a policy of disposing of consumer goods and armament issues. Consumer goods manufacturers as a group will be less affected by curtailment of defense spending whenever the armament programme begins to taper off. It is possible, in fact, that some such enterprises may be aided by a lifting of priorities and other restrictions or even a tax reduction.
3. Since many manufacturers of heavy goods and armaments face a period of declining profit margins, the investor even today may improve his position by acquiring carefully selected issues in the consumer goods manufacturing field, stressing those concerns whose raw materials are not needed for armament production. As the armament boom approaches its culmination, such holdings should be increased in preference to stocks dependent upon defense business.

In Canada with the war programme reaching almost all industries it is not so easy to discriminate between war and non-war investments as it is in the United States, but even here there must be classed as consumer goods industries such companies as the chain stores and textiles. In many others, war business is only a comparatively small share of operations.

* * *

For Higher Commissions

Grant Johnston, retiring chairman of the Montreal Curb Market, told members at the annual meeting that since reduced commission schedules were adopted in 1936, during the mining boom, commissions on industrial stocks in a number of brackets had failed to cover operating and service costs. He suggested that efforts be made to increase these commissions to a level more commensurate with the cost of service rendered.

This question of raising commission rates to stock exchange members, has come up before, but no recent action has been taken. It has been made a matter of more immediate importance by the continued low volume of trading experienced on all exchanges. Members are losing money steadily, as are the exchanges themselves.

On the one hand, there is the necessity for greater revenues for exchange member firms and, on the other, the possibility that increased commissions might cut down trading volume even further.

C. P. R. Leads Joint Effort For Tank Production

From Our Own Correspondent

MONTREAL. — First Canadian-made tank, like many other types of war equipment being turned out in this country, is a composite effort. A vehicle officially described as the first one completed under the present production programme was exhibited to officials and the press here last week. Parts obtained from makers in Canada and the United States are assembled in the Canadian Pacific Railway Co.'s Angus shops in Montreal. This company, in addition to handling all the assembly work, does a major share of the machine work.

Work was started last June and the first tank, complete in most major details, rolled off the assembly line May 22. Officials, however, do not anticipate that regular production on assembly line style is to follow immediately.

The tank being made by C. P. R. is known as a heavy infantry tank. It is designed to co-operate with infantry, requiring a slower speed than that of cruiser type tanks. Weight is officially reported at about 25 tons; top speed about 25 m.p.h.

It is equipped with a power-driven turret mounting both machine guns and artillery pieces. Crew is three.

Manufacture requires the shaping, machining and assembly of some 200 pieces of armor plate. This special alloy steel is being made in Canada. About 15,000 man hours are required to machine and assemble the armor for each tank.

It is stated officially that all components, with the exception of engine and transmission, are being made in Canada.

Still Tighter Controls Over Prices Expected

(Continued from page 1)

countries are to be separated by an import control far more drastic and meticulous than anything so far devised.

"It is undesirable, on the one hand, to have all our imports from the United States go through the United States priority system. But on the other, we cannot permit Canadians to shop around in the United States for materials subject to priorities."

Need Skilful Planning

Summing up the approaching problems, he declared:

"Only by skilful organization and the planned use of resources can we hope to attain our full war potential and avoid severe internal stresses during the war. Even more surely are they necessary if post-war problems are not to be aggravated."

Dr. Mackintosh took a serious view of the agricultural problem—maladjusted farm prices, surpluses of natural products on this continent, and "the most vexing and refractory problem of Canadian war economics, the lopsided influence of war demands on agriculture and industry." He believed that inflationary influences could be "more quickly touched off by agricultural shortages than by any other supply factor." But so far the problem had been rather to prevent "a drastic disorganization of agriculture through the scissors movement of stable or falling prices and rising costs."

This "scissors movement" had been somewhat eased, he noted, by the larger volume of British food demands on Canada. "But the pressure of industrial demand is tending to strip competitively weaker employments, such as dairy farming, of their labor force while some unemployed reserves of labor are untouched."

Main Factors

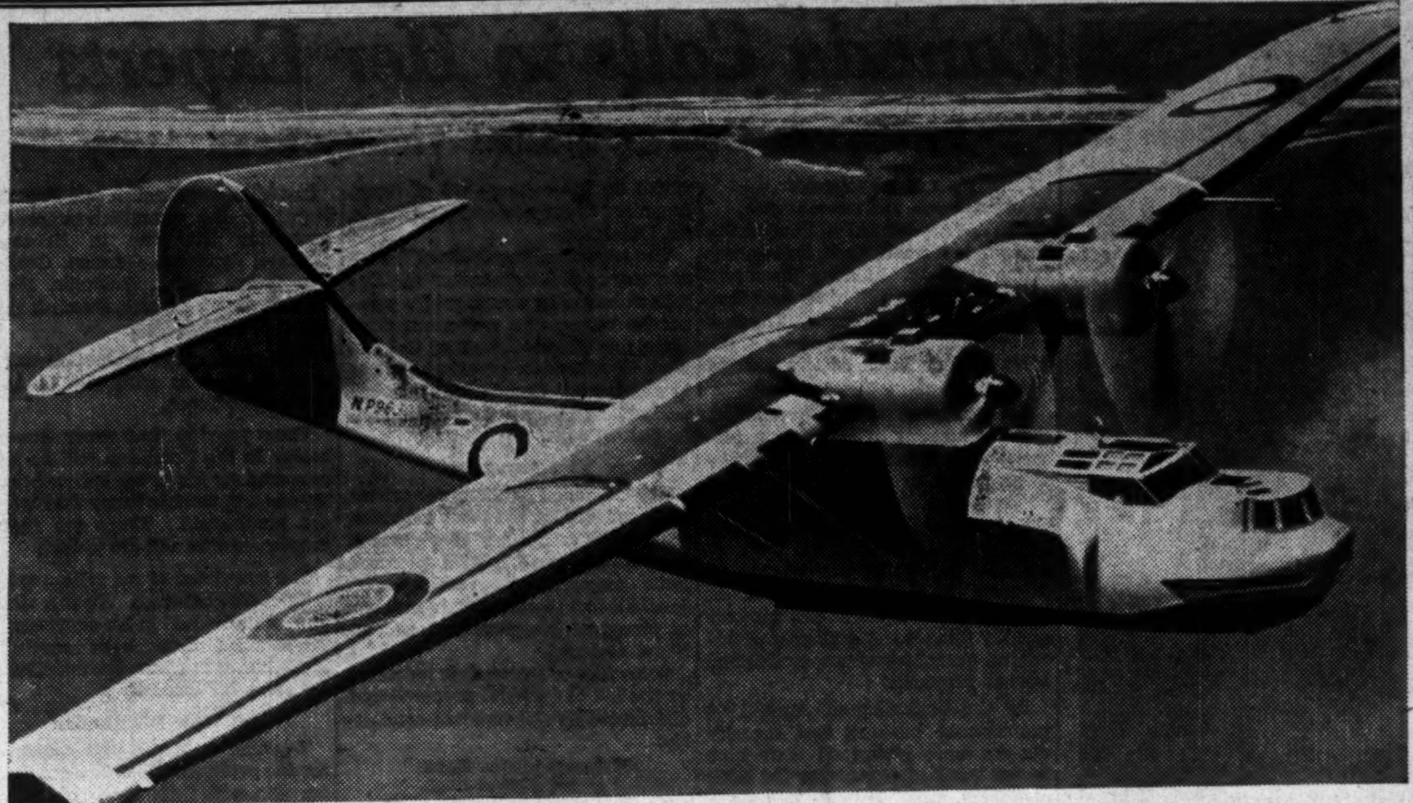
Dr. Mackintosh cited three main factors to support his forecast of "more positive and formal action" to deal with price and supply problems:

1. "The Hyde Park declaration and the arrangements proceeding under it will take some but definitely not all the pressure off exchange."
2. Canadian war spending, British purchases in Canada and U. S. purchases under the Hyde Park agreement will "tax the productive capacity of this country to the utmost." When a country reaches full employment, he observed, further expansion will be facilitated by improved organization, "not the increase of spending and investment."
3. United States industry is moving rapidly toward full employment. However, the United States met the problems arising from this, he said, it would mean in Canada "increasing scarcities of plant and materials and specialized labor, and increasing application of control in allocation of supplies."

Problems to Date

In Canada to date, he said, shortages resulting from extension of war industry had not been of basic raw materials, but of specialized plant, technical knowledge on the spot, executive and technical personnel running down to foremen and skilled labor; and specialized machinery. This had eased the allied problems of fiscal policy, checking inflation, price control, and ensuring supply. But it would be even more difficult to grapple with the problems of limiting civilian consumption and consumer spending in the United States.

In Canada the foundation of price control had been and must continue to be, said Dr. Mackintosh, "a fiscal policy which has endeavored to channel the increase in purchasing power through the treasury into the procurement of essential supplies." While this fiscal policy had been reasonably sucessful to date, "by luck and good management," it had not encountered really serious inflationary problems.



One of three new American types of aircraft to be manufactured on license in Canada, the Consolidated Model 28 is the world's largest flying amphibian and has a range of 4,000 miles. This type is being flown across the Atlantic to England, where it is known as the Catalina. The two Canadian companies now preparing for production are Boeing Aircraft at Vancouver and Canadian Vickers at Montreal. The ship's top speed is 200 m.p.h.

Where Canada's Plane Output Stands

Expect Little From New Projects Within a Year

By RONALD A. KEITH,
Editor, Canadian Aviation

The facts of Canada's aircraft production today justify hope but not complacency.

Concentration of effort on three first-rate American types and the increased efficiency of Federal Aircraft in supervising manufacture of Avro Ansons are the most encouraging features.

On the other hand, new production projects will not contribute to output for nearly a year at best. There still are many kinks to be ironed out, such as uninterrupted supply of engines, subcontracted fittings, etc. The entire industry is not yet operating at full throttle.

The most important new job for the industry calls for manufacture of the Martin B-26 medium bomber at the Malton plant of National Steel Car Corporation. This is one of the best planes available, although England would have preferred a four-engined heavy bomber.

Unfortunately only a miracle can turn B-26 Flying Torpedoes out in less than a year from now. Jigs and tools are being installed in the Malton plant, but actual production is a long way off. To illustrate: Noorduyn Aviation delivered the first North American Harvard, single-engined trainer, exactly one year after receiving a contract. The Martin B-26 is much bigger and much more complicated than the Harvard.

Progress on this important job will depend to a considerable extent on the amount of machine tools and skilled assistance that can be obtained from the United States.

Deliveries by August

The twin-engined Consolidated amphibian, Catalina, is to be manufactured by Boeing Aircraft at Vancouver and Canadian Vickers in Montreal. Boeing has a new government-erected plant for the job and has had the order for nearly a year. At first it will be an assembly job, only wing panels and floats being manufactured. First deliveries are expected in August and 14 planes to be delivered by March, 1942.

Canadian Vickers has just received an order to manufacture the Catalina, so there is no hope of deliveries in less than 12 to 18 months. This company's experience in building Stranraer flying boats (estimated at 95,000 man-hours each) should prove valuable.

The third new type, the Fairchild M-62, is scheduled to succeed the Fleet and Tiger Moth elementary trainers as standard in the Air Training Plan. At the present rate of progress, however, this may never happen for this war. Negotiations with the American company are still lingering on and to date no specific arrangements have been made to do the job in Canada, in spite of the fact that Fleet and de Havilland have completed their original orders for trainers.

Avro Anson Biggest

Avro Anson production stands out as the most important contribution the Canadian aircraft industry can make right now to the progress of air crew training. This is illustrated by statistics from Hon. C. G. Power, Air Minister, in March. (The situation has not altered appreciably since then.)

Admitting the seriousness of training plane shortages, Mr. Power listed, by percentages of what there should be, the supply of aircraft at the training schools as follows:

	%
Service trainers (Ansons and Cessnas)*	46
Service trainers (Harvards)	89
Observers (Ansons)	70
Bombing, Gunnery (Fairey Battles)†	86
Air Navigation (Ansons)	44
Wireless (Norseman)	82

*Cessnas are being delivered from the U. S.

†Battles are shipped from England, assembled here.

Impartial observers claim that Federal Aircraft should be ready to start regular deliveries of Canadian-built Avro Ansons two months from now. One complete plane was turned out by Federal this week.

Given Adequate Authority

W. A. Newman, the new general manager, unlike his predecessor, has been given adequate authority to do a thorough job of reorganization. One of the most important features of this overhaul has been the creation of an efficient "chasing" department responsible for being constantly on the heels of the subcontractors.

As the situation stands today, manufacturers of the main components: wings, fuselages, undercarriages, have been piling them up, waiting for large numbers of fittings to come from subcontractors. The speed with which small forgings and castings can be produced, machined and delivered will regulate production of Avro Ansons.

Federal now realizes the fundamental importance of co-ordination and has appointed supervisors to maintain a constant check on progress of the subcontractors.

Although there are 14 different plane types involved in the Canadian industry. The three new types have been discussed. Two types (Avro Anson and Fleet 60) are in the production stage, deliveries to start this summer. Nine types are being delivered with some regularity.

Numerically Canadian production of aircraft will drop off sharply within the next few months. This is because orders for elementary trainers have run out. Both de Havilland and Fleet have completed their original contracts for 404 Moths and Fleet Finches respectively.

Fleet will be fully occupied on the Fleet 60 and on fuselages for the Hampden bomber, plus the operation of an overhaul station at London. De Havilland has been receiving additional trainer orders, giving sufficient backlog to occupy the plant for about four months.

More Than Now Needed

The production drop will not be as significant as it appears, for supply of elementary trainers is above the requirements.

Of the nine types now being delivered, six are of English design and are powered with English engines. This dependence on overseas sources for drawings, materials and engines dates back to the original formulation of Canada's war production of aircraft when the accent was on close collaboration with English manufacturers.

Since the fall of France, the swing has been toward a meshing of our production with the American. Thus, arrangements were made to manufacture the Harvard, while American were substituted for English engines in Bristol Bolingbrokes and Avro Ansons. The three new types selected further demonstrate this trend toward co-operation with the U. S.

The industry's most important contribution to the war now consists of Hurricane fighters, Hampden bombers and Bolingbroke bomber-night fighters. These are being delivered with some regularity although hampered by periodic delays for engines and materials and handicapped by relatively unskilled labor and shortage of machine tools.

The Aircraft Programme

We will make

Martin B-26 "Flying Torpedo"—Said to be fastest bomber in the world, all-metal, two 1,850 h.p. engines, over 300 m.p.h. top speed. Incorporates lessons of this war, armored cockpits, self-sealing fuel tanks, power-operated gun turrets, etc. National Steel Car Corp. has an order for 200 at about $140,000 each.

Consolidated Catalina—This is the largest flying amphibian in existence. Wing span 104 ft., length 65 ft. Metal construction. Two 1,050 h.p. engines. The fuselage is a hull with retractable wheels. Top speed 200 m.p.h. Maximum range 4,000 miles. In August, 1940, Boeing Aircraft of Canada got a $4,400,000 order to build parts and to assemble 55 Catalinas in a new Government-built plant on the Pacifc coast. Canadian Vickers Ltd. has a $7.5 millions contract to build amphibians in eastern Canada.

Fairchild M-62 — A low-wing monoplane elementary trainer selected to succeed the Fleet and Tiger Moth biplane types. The wings are plywood; fuselage, steel tubing covered with fabric.

* * *

We are making

Avro Anson—Two-engined reconnaissance bomber, standard in the Air Training Plan for air navigation training, also for two-engined flying training. Low-wing monoplane. Maximum speed 188 m.p.h., range 790 miles. Jacobs engines. Mainly wood construction with plywood covering. Being manufactured by seven companies under supervison of Federal Aircraft Ltd., a Government organization. (19,000 man-hours).

Fleet 60 — Low-wing monoplane designed in Canada and ordered from Fleet Aircraft Ltd. for use in advanced training of combat pilots. All-metal construction, Jacobs engines (330 h.p.) Top speed 190 m.p.h. First delivery on an order for 200 expected within the next month.

Fleet Finch—Standard elementary trainer in the Air Training Plan. Metal-framed fabric-covered biplane, Kinner engine (125 h.p.) Top speed 106 m.p.h. Fleet Aircraft completing an order for 404 of these. (Unit production: 1,600 man-hours.)

Tiger Moth—Companion to the Fleet Finch for primary flying training. Gipsy Major engine (130 h.p.). Top speed 110 m.p.h. The original order for 404 completed. Additional order for 125 planes near completion. New orders on hand total 240 planes. (Unit production, 1,600 man-hours.)

Norseman—Popular as a "bush" plane. High-wing monoplane. Top Speed—170 m.p.h. Pratt & Whitney Wasp engine (600 h.p.) Noorduyn Aviation should complete the 56 on order by next September.

Stranraer — Long-range reconnaissance flying boat of English origin, manufactured by Canadian Vickers Limited — obsolete. Top speed 165 m.p.h. Range 1,000 miles. Hull—metal. Biplane wings, metal structure, fabric covered. (Unit production—95,000 man-hours.)

Lysander—High-wing, single-engined monoplane, designed for army co-operation. Obsolete. Manufactured by National Steel Car Corporation. Bristol Perseus engine (950 h.p.). Top speed 234 m.p.h. Range, 600 miles. (Unit production—45,000 man-hours.)

Hurricane—One of Britain's outstanding fighters. Manufactured by Canadian Car & Foundry Co. Shipment of these planes overseas represents perhaps the largest direct assistance of the Canadian industry to war in the air. Rolls-Royce Merlin II engine (1,030 h.p.). Top speed 335 m.p.h.

Hampden — Largest landplane manufactured in Canada. Twin-engined English heavy bomber. Bristol Pegasus engines (1,100 h.p.). Load, 7,000 lb. Top speed, 265 m.p.h. Range, 1,725 miles. All-metal construction. Canadian Associated Aircraft, composed of six companies, is producing Hampdens for the R.A.F. (First order for 80 in Nov., 1938; second order for 80 more in Aug., 1940.)

Bolingbroke — Designed in England and manufactured in Canada by Fairchild Aircraft Ltd. Fast bomber now being used as a night fighter. First Canadian product test flown late in 1939. Construction all-metal. Pratt & Whitney engines. Top speed 295 m.p.h. Range 2,000 miles. (Unit production — 60,000 man-hours.)

Harvard — Standard advanced trainer. Manufactured by Noorduyn Aviation Ltd. The order is for 210 planes. All-metal construction. Powered by Pratt & Whitney Wasp 550 h.p. engine. Top speed 210 m.p.h. (Unit production — 12,000 man-hours.)

Investment Notes

Minnesota & Ontario — Sinking fund payments on account of 1940 operations amounting to $1,011,307 are to be applied against the $12.2 millions of new M. & O. bonds outstanding. Purchases are now being made with the first $700,000 of this amount. At current quotes of approximately $75, ex interest, the total to be spent would reduce outstanding debt over $1.3 million.

* * *

Canadian Pacific—In the House of Commons Hon. J. L. Ilsley, Minister of Finance, stated no steps have been taken, or are being taken, for the repatriation of C. P. R. shares held in the United Kingdom. Over 50% of the company's ordinary stock and 95% of its preference is held in the United Kingdom and other British possessions.

* * *

Ford Motor Co. of Canada—Three contracts for ordnance totalling $2.1 millions were obtained by this company in the week ended May 9, from the Department of Munitions and Supply. Ford of Canada has previously received many millions of dollars of contracts from the Department but practically all of these have been for land transport.

* * *

Dome and Lake Shore — Although Incorporated Investors, a large U. S. investment trust, sold common stocks on balance during the first quarter of this year, it increased holdings in each of Dome and Lake Shore by 5,000 shares.

* * *

Securities & Exchange Commission supplementary report of February security changes includes the following of Canadian interest.

Canada Dry Ginger Ale—Thomas Hildt, director, bought 100 common shares in Jan., 1941, holding 300 at the end of that month. Alex Brown & Sons, in which Mr. Hildt reports an undisclosed interest, sold all of 300 shares held in Dec., 1939.

Fanny Farmer Candy—R. R. Corson, director, acquired 100 shares in Nov., 1939, holding 100 at the end of Jan., 1940; also bought 200 in Nov., 1939, and 500 in Jan., 1940, through Rolph R. Corson Ltd., holding 900 (proportionate interest not shown). J. D. Hayes, officer and director, transferred 200 in March, 1940, and transferred 200 in Jan., 1941, holding 500 directly at the end of last January. McKenna Investments Ltd., in which Mr. Hayes holds a beneficial interest, acquired 2,310 in May, 1938, 100 in Dec., 1939, 75 in March 1940, and 20 in April, 1940, holding 2,505 at the end of January this year.

International Utilities Corp.—G. V. Foster, director, held no shares in February, 1941.

Expanded Spending Power Swells Race-track Crowds

Along with business and industry horse racing in Canada has been subject to war factors and public reaction to wartime conditions.

While the 1941 season is just getting under way, the experience of the Ontario Jockey Club at its spring meeting indicates a heavy volume of attendance and betting at Canadian tracks in coming months. Substantial increases were shown in patronage and betting at the Woodbine track in Toronto, where the 1941 Canadian season opened last week. Attendance on the opening Saturday soared to 27,000, highest since before the depression, and the final Saturday brought out 25,000.

The upturn is ascribed partly to the greater amount of money in circulation. In addition, however, it is believed the public has become more accustomed to war conditions and is more anxious for recreation and taking a flyer at the pari-mutuels.

A year ago poor race track attendance reflected public disturbance over the imminent fall of France and advent of Italy into the war. Both patronage and betting at the Woodbine track were sharply reduced. Results last fall were somewhat better, but not on a scale comparing with the current revival of interest.

In the fall of 1939 the war had not had time to react very definitely on the public, and attendance was fair. Attendance in the spring of the same year was in good volume, especially at the Woodbine, where the spring meeting was graced by a visit from the King and Queen.

Dosco Dividend Unlikely Now

Funds Needed to Provide Working Capital For Record Operations

From Our Own Correspondent

MONTREAL. — Shareholders of Dominion Steel and Coal Corp. may expect no dividends in the near future, Arthur Cross, president, intimated at the annual meeting. Mr. Cross stated:

"Your directors are not unmindful of the expectation of the shareholders in respect to some return on their investment, but it will be admitted, I am sure, that the borrowing of additional sums from the banks for the purpose of paying dividends could not be justified."

Mr. Cross pointed to the improvement in working capital position and earnings, but because the great expansion in operations has necessitated increased working capital, loans are still being obtained from the banks.

Steel ingot production reached 556,269 gross tons in the past year, compared with 401,561 gross tons in 1939. This increased output resulted from new open hearth furnaces which came into production in April, 1940.

Operations at Capacity

Operations have continued into the current year at full capacity of 600,000 gross tons annually.

The company has agreed with Department of Munitions and Supply to rehabilitate the plate mill erected during the last war. This mill will be used to manufacture plates for shipbuilding, etc. The power generating equipment at the Sydney plant will be substantially increased to provide energy.

Erect New Drydock

At the Dartmouth plant of Halifax Shipyards a new marine railway of 3,000 tons capacity is being constructed and will be in operation in August.

A new floating drydock is being erected by the Government on the company's property at Halifax. It will be operated by Halifax Shipyards under agreement with Ottawa.

The company employed an average of 25,000 persons during 1940, and this has increased to about 27,000 at the present time.

At the annual meeting of Dominion Coal Co., Dominion Steel & Coal Corp. subsidiary, Mr. Cross stated that coal sales in 1940 were substantially higher than in the previous year. Production increased by 417,030 tons over 1939, but was below capacity because of strikes.

Foreign Exchange

During the week May 20 to May 26 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, May 26

Australia	3.58	N. Zealand	3.61
India	.3372	S. Africa	4.47
Japan	.2608	Hong Kong	.2719

Seagram's Net On Uptrend

Unfavorable Position of January Quarter is Believed Corrected

From Our Own Correspondent

MONTREAL. — Expectations are that Distillers Corporation-Seagrams Ltd. will report earnings for the quarter ended April 30 last well above that for the corresponding period a year ago. A gain of as much as 25% is being forecast.

This would mean sharp improvement over the results shown in the January 31 quarter, when only 23 cents a share was earned on the common compared with $1.31 a share in the corresponding period.

As outlined in the statement of the president to stockholders at the last annual meeting, the U. S. subsidiaries during May, June and July last year obtained considerable business as a result of the rise in excise taxes which was effective June 30 last. Ordinarily, a good part of this business would have been produced in later months. This left both distributors and retailers with sizeable inventories which called for additional marketing effort, including the necessary advertising to keep the merchandise moving. All Seagram products are sold in consumers' glass packages and not in bulk.

Add to the above the fact that last spring and summer the company developed several advertising and promotion campaigns, providing for rather heavy disbursements during the fall. Of themselves, the above would have produced unusually large expenditures, against an income that had already been drawn upon by reason of the sales which appeared in the last quarter of the previous fiscal year and which are already mentioned.

Finally, there were bad conditions prevailing in New York area markets from October through to early February. This represents some of the company's best territory and when price competition broke out in that area, Seagrams felt compelled to protect the competitive position of its leading brands. In this, it is said that the company was successful in holding leadership in the spirit blend field.

New price schedules have been announced, effective May 26, which raise prices to consumers substantially It is said that other distillers have already taken, or plan to take, similar action which would improve the earnings position in the important New York City area.

W. N. Rook Director Of Chas. Warnock Ltd.

W. N. Rook has been elected director of the Chas. Warnock & Co. Ltd., Montreal, Que., to succeed J. M. R. Fairbairn, who was recently appointed Director of Naval Works & Buildings by the Government. Mr. Rook is general manager of the Philip Carey Co., Ltd., Lennoxville, Que.

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ASSURE your future financial independence by using a systematic saving plan that has stood the test of nearly half a century of uninterrupted and successful service. This plan, operated under rigid statutory control, is now helping thousands of Canadian men and women with a definite program for a secure financial future.

And in helping yourself under this plan you also help protect your country. Monies paid by contract holders are invested in Canadian bonds and other securities to promote the strength of Canada's war effort.

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Bond Markets

Patriotism and Pocket Boost Victory Loan

Dominion Bonds Weather Wartime Storms Ahead of Other Securities — Yield Higher Than Appears

Canada's best investment will be sold on both patriotic and financial grounds.

In the next week or two we will hear a lot about Canada's need for money, relatively little of the security Canada is giving in exchange. Actually, the Victory Loan (and other Dominion bonds) carries investment attraction equal to its patriotic appeal.

Take market action.

Most investment analysts regard "marketability" as the prime requisite of a sound investment. It matters little what the balance sheet value of a security is if you can't sell when you want to, at a price reasonably close to what you paid.

Since the war broke out, Dominion Government bonds have risen fairly steadily, the index of long-term issues is in new high ground since September, 1939. Buyers of the First and Second War Loans have had opportunities of selling at modest profits.

As shown by the accompanying chart, investors in other types of securities have had no such pleasant experience. Common stocks are about 25% lower than when the first war loan was offered. The reason is not far to seek. Part of it lies in wartime taxation. Another part lies in the fact that war may revolutionize some industries—production methods may change, or consumers turn their attention to new products. With big profits ruled out by taxation, investors are slow to expose themselves to possible risks.

International Lemons

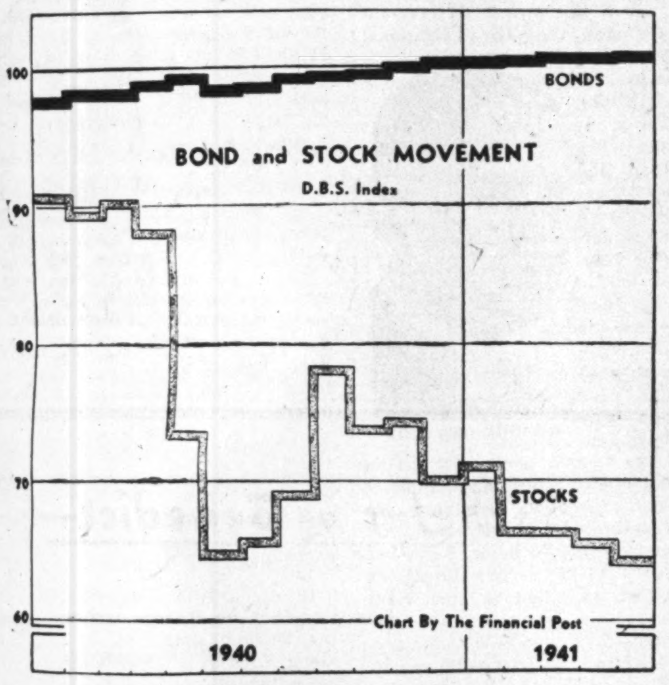
What the war has done to international investments is underlined by the recent annual report of International Telephone and Telegraph Corp. for 1940. The company has manufacturing subsidiaries in Belgium, France, Denmark, Holland, Yugoslavia and Norway. Exchange restrictions prevent transfer of funds to the parent company from subsidiaries located in these countries and also in England, Hungary, Germany, Rumania and Spain. Remittances of cash from Europe practically ceased early in 1940 and one subsidiary from whose dividends the corporation received $3.6 millions in 1939 paid a dividend of only $600,000 in 1940. The 1940 payment was made in March, and nothing further can be expected until hostilities are over.

* * *

Europe in Deeper

One hopeful sign for the holder of foreign investments is that while Europe has been wading deeper into default, Latin America has slightly reduced the proportion of its defaulted obligations. At the end of 1940, 49.8% of the defaulted dollar bonds of foreign governments were in Latin American issues, against 54.3% a year earlier. In the same period European defaulted bonds rose from 40.9% to 45.6% of the total.

But Hitler's activities have brought the total defaults to 42% of all foreign issues publicly offered in the United States and Canada. A year ago less than 39% of these issues were in default.



Encouraging to Victory Bond sellers is the fact of strong bond markets over the war period; strong at least in comparison with stocks.

Is Canada Playing Shylock?

(Continued from page 1)

ter King's phrase "a direct contribution by Canada to the cause of freedom."

Naturally, if Canada were not an active belligerent — carrying such a heavy war cost on its own account —it would be in a position to render even greater assistance to the other democratic belligerents than it is now making available to them. But its own war effort demands of the Canadian people a productive effort and a measure of sacrifice that are in themselves unprecedented in Canadian history.

To assist Britain financially calls for additional exertions and additional sacrifices, which are freely made.

II. Aid to Britain 1939-1941

As one of the "arsenals of democracy" Canada is a major source of supplies for Britain in her own war effort. Canada is shipping to Great Britain large quantities of foodstuffs, metals and other raw materials. Canadian factories are turning out, or are being built to turn out, very large amounts of shells, airplanes, explosives, guns, tanks, etc., for Britain's fighting forces, in addition to our own needs.

Toward her purchases in Canada, Britain has available quite substantial sums derived from her trade with Canada and her investments here. She enjoys large revenues from Canada on account of merchandise sales, steamship earnings, insurance premiums, dividends and interest, etc. To enable her to maintain her exports to Canada, the Canadian Government has reduced or removed the tariff on a long list of items, representing a very large percentage of Britain's trade in Canada. Britain's relative position in the Canadian market has been further improved by special import taxes levied on goods from non-sterling countries, but which are not applied to U. K. goods. Canada pays Britain for supplies delivered to our army overseas.

Nevertheless, after deducting Canadian purchases from Britain and the various "invisible" items, Britain ran a deficit in Canada of $795 millions from the beginning of the war to March 31 last. (The deficit—as will be shown later—will be an additional $900-$1,150 millions in the current fiscal year).

In the financial arrangements between the two countries Canada has undertaken to provide, one way or another, the Canadian dollars necessary to enable Britain to balance this deficit.

Here is how the first $795 millions was "settled":

In the period to March 31 last Britain sent Canada gold to a value of $250 millions. This might be considered cash. To this extent Canada did sell to Britain for cash. But what we sold for cash was American rather than Canadian goods.

The gold received by Canada from Great Britain was used for one purpose only: to cover a part of the cost of raw materials, machinery, etc., bought by Canada in cash from the United States in order to be converted here into war materials for British account.

The gold received was insufficient to cover the U. S. dollar needs arising out of Britain's purchases.

Not one dollar of this gold—or "cash"—was used to pay for material of Canadian origin.

For the balance of Britain's deficit in Canada—nearly $550 millions —we received no cash. To the amount of $337 millions we were paid in our own securities, formerly held by British investors. Taking back these securities represented just as much a drain upon our material, labor and financial resources as any other part of our war effort. It is like trying to pay off a mortgage when every dollar you have is needed to pay doctor's bills.

The remaining sum — about $110-$115 millions — in Britain's deficit was covered by Canadian purchases of sterling. This, in effect, is the same as Lease-Lend, since the determination of the character of the ultimate settlement must await the conclusion of the war.

Purchase of sterling was and is Canada's Lease-Lend aid to Britain. Canada gets sterling; the United States gets promise of repayment in kind. No one can say at this time which form of nominal bookkeeping is likely to provide the most satisfactory form of post-war adjustment of the items.

No gold has been obtained by Canada from Great Britain since December last. Canada has shared with Britain its own limited resources of U. S. dollars.

III. Aid to Britain 1941-1942

During the current fiscal year Canada will ship to Great Britain $1,500 millions of war materials, foodstuffs, metals, etc. The net deficit on account of Canada's trade with Britain will be $900-$1,150 millions.

Nearly $500 millions of this will represent components and materials that must be purchased in American dollars in order to execute British orders in Canada. But no gold is coming to Canada to provide these U. S. dollars.

How much of this deficit will be "financed" by repatriation and how much by purchase of sterling has not been determined.

Some assistance in the matter of U. S. dollars may be obtained through the Hyde-Park formula for bringing Canada into a Lease-Lend triangle.

For instance, certain components required for use in war materials being manufactured in Canada for Britain may be charged by the U. S. A. directly to Britain under Lease-Lend.

Sale of Canadian war materials to the U. S. Government, whether for the use of the U. S. armed forces or to be leased-lent to Britain, may also ease the pressure on Canada. But whatever balance remains will be financed by Canada through purchases of sterling. There is no indication that Canada will receive any gold—or cash—from Britain in payment for it.

IV. Selling at a Profit?

What about the charge that Canada is selling at a profit?

The United Kingdom's chief purchases in Canada are bacon, wheat, cheese, and other foodstuffs; metals and timber; and war supplies.

Prices of foodstuffs in Canada are not greatly above those prevailing at the outbreak of war. Where the British Government desires, Canada acts as agent in the buying and thus protects Britain against speculative rises. The prices are lower than the prices at which Britain could purchase similar foodstuffs elsewhere. The Canadian Government takes no profit in the transactions.

Recently the price of bacon was raised by agreement with Britain because increasing hog prices in the United States were draining Canadian hogs away from the plants where they are made into bacon for British breakfast tables. But the price paid by Britain is less than that prevailing at the beginning of the war. The Canadian Government has undertaken to ration the supply of bacon in Canada to ensure Britain of supplies at fair prices and has agreed to absorb future increases in hog costs to protect the U. K. consumer against competitive hog buying from the U. S. A.

In respect to base metals the mines of Canada contracted at the beginning of the war to sell their entire output to the two governments at prices prevailing before the war. These prices were and are below market prices. Timber has also been sold by producers at pre-war prices.

In respect to war materials the Canadian Government acts as purchasing agent for the United Kingdom and buys at lowest possible prices. Prices of many basic commodities, such as steel, are controlled — by agreement with producers—at pre-war levels, although costs have gone up. The benefit of this price control is gained by Britain as well as by Canada. The Canadian Government, of course, makes no profit on anything it buys from Canadian manufacturers on account of Britain.

As to the profits that may be earned by manufacturers, the margins allowed are no higher on goods supplied for U. K. account than on goods supplied for Canadian account. A large part of the war material is being made in new, jointly owned plants, run by Canadians who are making no charge for their services.

Margins allowed to private companies are narrow. Many companies are, in fact, handling war orders on a non-profit basis. If any company earns a substantial profit a basic corporation tax of 40 per cent and an excess profits tax of 75 per cent channel much of it back to the treasury where it is available to pay our own war bills and to assist Britain.

A recent extensive survey by The Financial Post revealed that Canadian corporations making war materials showed lower net earnings per share in 1940 than in 1939, despite enormously increased turnover.

United Kingdom authorities do not share the view that Canada is selling "for cash, at a profit."

The British financial press recently published glowing tributes to Canada for its notable assistance in helping Britain to finance. Reference may be made, for example, to an article, "Canada to the Rescue," in The Financial News of London of March 27 or to the statement in The Economist of March 22 that there has been no lack of co-operation on Canada's part.

Canada is assisting Britain to the very limit of her capacity. We have said to Britain in effect:

"Our people will steadily reduce their standard of living to the minimum so that civilian demands upon the economic resources of the country may be radically reduced. We will expand our army, our navy and our air force so as to render a not unworthy contribution on our own account. Every additional dollar, every additional ounce of human or material energy that we can muster up is yours and will be freely consecrated to your purposes until this war is won."

All the above refers solely to the financial aspect of Canada's war contribution and "aid" to Britain. Canada has pledged to the war, not only material and financial resources, but "blood, toil, sweat and tears."

On this type of contribution no dollars and cents valuation can be placed.

C. S. L. Expects Better Traffic

Volume of U. S. Tourist Trade Likely to Improve Over 1940

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines Ltd., starting its summer passenger services out of Toronto and Montreal this week-end, is looking for material improvement in tourist traffic in the current season.

The company experienced poor passenger and hotel volume last year, largely because of the decline in United States tourist business. It is expected that flow of visitors from the U. S. will resume more normal proportions and the company is expecting to benefit from the increased traffic.

Promotion Having Effect

C. C. Bonter, passenger traffic manager for C.S.L., who has surveyed the U. S. field, reports that the Dominion, provincial and travel and transportation organizations' campaign to stimulate interest in travel here has had good results.

Bookings and enquiries from the United States about holiday cruises on the Great Lakes, St. Lawrence and Saguenay Rivers have increased substantially over last year. It is expected the company hotels, Manoir Richelieu and Hotel Tadoussac, will experience much better occupancy in the current season.

Freight Traffic Heavy

Better tourist business will increase passenger earnings, which were down last year. The company's freight services are busier than for many years. Bulk cargoes, especially coal and iron ore from U. S. points are moving in satisfactory volume. Coal shipments have increased materially since settlement of the strike in the bituminous mines that threatened to tie up U. S. industry.

Package freight business in the year to date has shown an increase over last year.

1940 Earnings Good

In 1940 the company reported the best year since 1928. Net profit amounted to $956,409, equal to $4.17 a share on the preference and $1.28 on the common. This compares with $277,189 in 1939, equal to $1.21 a share on the preference and a deficit of 99 cents on the common.

The company incurred heavy net losses in every year from 1930 and 1936. In computing its "excess" profits tax, provision was made at the rates accorded a "depressed" industry.

Bond Tenders

12 noon, May 29, Canada Treasury Bills —$40,000,000, dated May 30, 1941, payable Aug. 29, 1941.

How to have your cake... and eat it

In can be done—this way—when you heat your home with a Livingston Stoker. It's a fact that when you have this automatic stoker looking after your heating, the reduced cost of fuel you'll use will, in a very few seasons, return all the cost of the Livingston.

Applying the old adage to heating it's a fact. A Livingston Stoker does it.

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M. & O. Paper to Make Alpha Cellulose as Test

Construction of a small test plant for the production of alpha cellulose is announced by Minnesota & Ontario Paper Co. Material used will be aspen or northern popple wood, largely drawn from Minnesota. Alpha cellulose is the base for rayon, celluloid and a variety of munitions and plastic materials.

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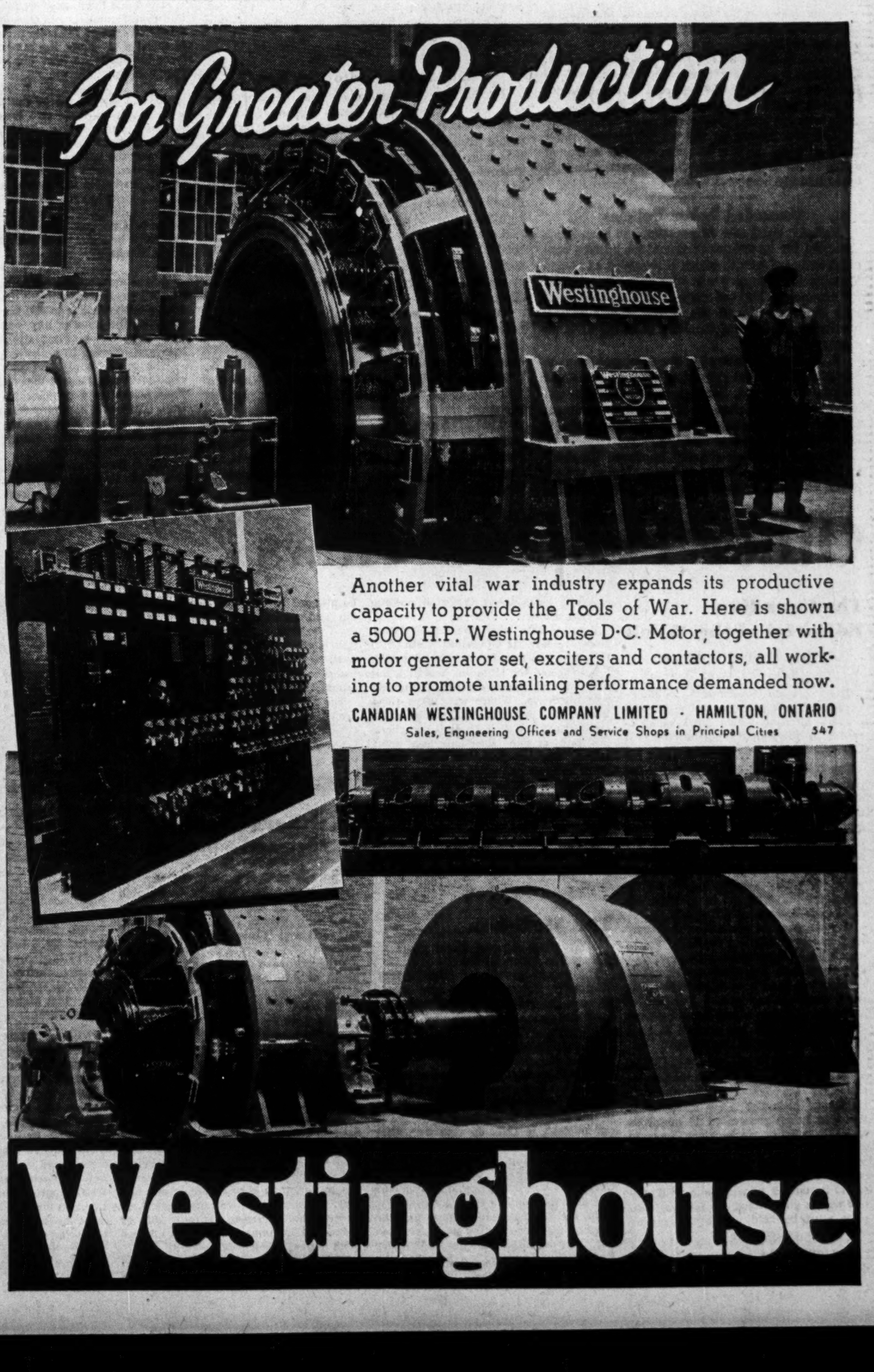
For Greater Production

Another vital war industry expands its productive capacity to provide the Tools of War. Here is shown a 5000 H.P. Westinghouse D·C. Motor, together with motor generator set, exciters and contactors, all working to promote unfailing performance demanded now.

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Westinghouse

J. T. Bryden — Assistant Treasurer of the North American Life Assurance Company, who spoke on Tuesday before the Life Advertisers Section of Canadian Life Insurance Officers Association on the subject of Life Insurance and War Finance.

A. S. Beaubien Elected Commodity Group Head

From Our Own Correspondent

MONTREAL.—A. S. Beaubien of L. G. Beaubien & Co. has been reelected president of the Canadian Commodity Clearing Association Inc. for 1941-42. A. F. McGillis has been returned as vice-president. J. M. Schmauder and William Boyd were re-elected as secretary-treasurer and assistant-treasurer, respectively.

Returned as directors were: K. H. Olive of Olive & Dorion Ltd., M. C. Oswald of Oswald & Drinkwater, and G. C. Liersch of C. J. Hodgson & Co.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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SMALL chain of Ontario retail food stores for sale. Efficient organization. Excellent profit record. Price about seventy thousand. Box 86, The Financial Post, Toronto.

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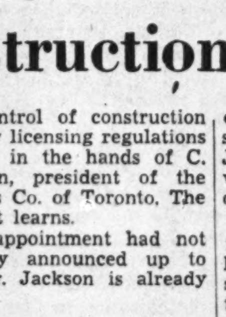
C. B. Jackson Directs Construction Control

Wartime control of construction under the new licensing regulations has been put in the hands of C. Blake Jackson, president of the Jackson-Lewis Co. of Toronto, The Financial Post learns.

While his appointment had not been officially announced up to mid-week, Mr. Jackson is already established in offices at Ottawa and has taken over administration of the new restrictions on industrial and commercial construction. He is attached to the organization being built up by R. C. Berkinshaw, Director-General of Priorities, who has been made generally responsible for enforcing the ban on non-essential building and extensions of plant and equipment.



C. B. JACKSON

In addition to being in charge of the construction control division, Mr. Jackson holds the title of Assistant Director General of Priorities.

Drafting of Mr. Jackson has been well received in construction circles. It is felt licensing control will cause less disruption and hardship in the construction industry if administered by a qualified man versed in construction problems, such as Mr. Jackson, than if allotted to someone with little contact or understanding of the industry.

One of Mr. Jackson's main current projects, a $500,000 apartment house development in a Toronto suburb, is one of those affected by the regulations. An extension to the original units of this development, the Garden Court Apartments in Leaside, is currently being completed. But plans for starting additional units have had to be shelved.

So far, no official protest has been lodged by any construction organization against the restrictions, though there is considerable disturbance over the outlook in some sections of the industry. Indications are the new regulations will be strictly enforced.

Well Known In Industry

Mr. Jackson is well known in Canadian construction circles, especially in central Canada. He has headed his own construction firm, Jackson-Lewis Co. since 1913, and was president of the Canadian Construction Association in 1926-27.

Some of the larger buildings his firm has erected include the East Block of the Ontario Parliament Buildings; the Toronto head office building of Imperial Oil Ltd.; the 1929 extension of the Robert Simpson Co. main store in Toronto; the Muskoka Hospital at Gravenhurst, Ont.; the newer buildings of the Ontario Agricultural College at Guelph; Imperial Theatre, Toronto, and the National Cash Register building in Toronto's west end.

A graduate of the combined architecture and engineering course at the University of Toronto, Mr. Jackson served for a time in the Detroit office of Albert Kahn, famous industrial architect. During this period he represented Mr. Kahn in supervising construction of the Packard plant at Detroit, first large building in America of reinforced concrete.

Big Increases Shown In Rail Revenues

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports gross traffic earnings of $4.4 millions in the week ended May 21, an increase of $1.5 million or 51.2%. Gross earnings of the year to May 21 totalled $74.8 millions, an increase of $17.9 millions or 31.4%.

Canadian National Railways showed gross traffic receipts of $6.1 millions in the week ended May 21, an increase of $1.5 million or 32.8%. Cumulative receipts to May 21 amounted to $107.3 millions, an increase of $22.4 millions or 26.4%.

Toronto-Buffalo Air Run Opening is Deferred

Scheduled start on June 2 of the new Toronto-Buffalo service of American Airlines has had to be postponed because of unexpected delay in completing arrangements, it was announced this week. New date for opening the route has not been set, but will likely be during the latter part of June.

The Editorial Page . .

Travel Is Not Propaganda

It is suggested that Canada may have a Ministry of Information to incorporate the Canadian Broadcasting Corporation, the National Film Board, the present Bureau of Information, the Canadian Travel Bureau and the censorship bureaux.

The idea that our national travel effort should be handled by war or Government propagandists is one that should be knocked on the head right now. Travel is a business, to be handled by businessmen on business lines. It would be fatal to permit the idea to go abroad that we bring tourists to Canada to fill them up with propaganda.

The Travel Bureau is an orphan in the Department of Transport. It should be moved—but not to another orphanage. It belongs to Trade and Commerce, which deals with our export trade. One of the largest of our exports is tourism.

Paying the Bills by Taxation

The master minds of government finance have learned a lot since Great War I about how to tax war costs out of the people. They have absorbed one important lesson: that the bigger the taxes during the war the milder the headache afterward.

In the last war Great Britain raised by taxation only 30 per cent of the nation's total expenditures. The balance, 70 per cent, was added to that towering pyramid, the National Debt.

France really paid very little of its war budgets by taxation, about 17 per cent in fact. What higher levies brought in was largely offset by losses of revenue from the occupied provinces.

The Germans only taxed 12 per cent of their war budgets. They did not impose a single new war tax until late 1918. The Kaiser's minions were satisfied that they could write the whole cost in the ledger and collect the costs from the conquered countries. (That started the German debacle of inflation; it was not the Jews but the Prussian war lords who thought up that way of stabbing Germany in the back.) Italy taxed 15 per cent; the United States 36 per cent.

Canada, as The Financial Post calculated recently, did better. In the Great War (and in the period to March, 1919, which provides a figure comparable with the ones used above), we raised 47 per cent of the national budget, including war, by taxes. Even so we came out with an enormously swollen debt, some of it due to the military battle we won in France and some of it to the railway battle we lost at home.

This time Britain and Canada at least have set themselves a more exacting standard.

In the past fiscal year Britain collected 36 per cent of its budget in taxes. In the year it is now entering it plans to collect 44 per cent. (Actually that figure is a little high because Britain plans to return a portion of the tax revenues to the people after the war; such "tax" revenues are really only a loan.)

In the last war Britain's standard income tax never got above six shillings in the pound. It is now ten shillings.

Canada is doing better than the others. Hon. J. L. Ilsley, the Minister of Finance, showed that we intend to collect 73 to 79 per cent of the national budget in taxation in the coming year. The "spread" in the estimate is due to uncertainty as to war costs.

When you ponder on the weight of your taxes think of that. It is a promise for the future of better times than we could have expected had we taxed less and borrowed more.

One-sided Labor Policies

National Steel Car Corporation has been much criticized for its refusal to accept an interim conciliation board award, which it regarded as illegal. Whether the company was wise or not is a matter for argument. But too much debate on that point may obscure some of the larger lessons of this particular example of Ottawa's handling of labor problems.

R. J. Magor, president of the company, went to England in 1936 and got orders for shells from the British Government. This was years before the war broke out, years before the Canadian Government was doing anything about preparing for the struggle in which Canada is now engaged.

The company has steadily improved its shell-making techniques and has been able to reduce prices on shells by as much as 47.5 per cent while increasing average hourly earnings of its workers by 47.2 per cent.

The company and its workers were getting along splendidly in their common war effort until, last December, the organizers of the C. I. O. steel union appeared on the scene and began, by their usual methods, to attempt the "organization" of the plant.

The Government bowed to the agitation and appointed a Conciliation Board to deal with "labor troubles" that had been trumped up for purposes of creating an issue.

The Minister and Department of Labor ranged themselves on the side of the C. I. O. activists and gave the company no opportunity of presenting its case.

Eventually when the C. I. O. called a strike in the plant, a strike that was doomed to failure from the start because of lack of interest in it on the part of the majority of the workers, the Government suddenly got really tough. But instead of taking action against those who had sought to impede war production in the plant, it took action against the company itself. It put in a "controller" to run the plant.

Ottawa quite obviously has decided that when the rough-house organizing tactics of non-resident labor unions come into a clash with people who have organized for war production in Canada, then whatever weight the Minister of Labor has will be thrown into the scale on the side of the obstructionists.

Unlawful acts of C. I. O. and other unions have been condoned by Ottawa. But when a company fights for what it believed to be its legal rights, then the War Measures Act is used as a club to beat it into submission.

Whatever else happened at Hamilton that much was made clear.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

What's at the End of the Road?

Parliament found it refreshing the other day when one of its members, who is a Harvard-trained lawyer-economist, made an address that put the whole problem of war finance in perspective. In this war, said Harry R. Jackman, M. P. from a Toronto riding, we have adopted the plan of financing through a controlled economy. Mr. Jackman felt that members of Parliament should realize the significance of the major moves that are being made and which are advancing the country far along the road to socialism, economic totalitarianism. If we continue along this path the profit or enterprise system that has served the world so beneficially will disappear.

Mr. Jackman made a suggestion. He thought the nation's new fiscal policies should, from time to time, be examined by the banking and commerce committee which would have power to call witnesses and get some expert advice as to what our war economy may ultimately do to our peace economy.

There is merit in the suggestion. Many of our war policies have been improvisations. But improvisations have a habit of becoming permanent. If they are to be permanent we should understand their long-term implications.

Hitler and World Revolution

Whatever Rudolph Hess tells the British cabinet of Axis war and political strategy it is likely that he will throw some light on the relations of Hitler and Stalin.

A synthesis of material from a number of well informed sources produces the following as the major outlines of the probable situation:

1. Hitler used the anti-Communist cry to get early support from industrialists in Germany but he is at heart a revolutionary of the Bolshevist type.

2. Stalin fears German strength and recognizes in Hitler a formidable competitor as the leader of world revolution. To save the revolution in Russia he wants to avoid war, which would show up his weaknesses and might lead to defeat. It would suit his book if both the Axis and the Democracies were so weakened by the war that they were reduced to Russia's own level of impotence.

3. Both Hitler and Stalin are looking forward to the post-war period of chaos in Europe as an opportunity for spread of the Bolshevist revolution. Hitler will fight for imperial domination by Germany of the whole world until the point when defeat of German arms is certain. He will then "rat" on Germany and seek to be the leader of the world Communist revolution. He would prefer the rôle of a Napoleon but would accept that of a Lenin if robbed of the first.

4. Hitler's ambitions must inevitably lead to a bitter conflict between himself and Stalin. But Stalin will "appease" Hitler so long as Hitler is powerful. He would make a deal with Hitler to share revolutionary leadership before he would let the struggle come to an issue.

5. Britain's task is a double one: first to win the war decisively and then to seek to preserve Europe from Communism. That is why Britain has had to move so carefully in using some of the more active anti-Hitler German elements. The problem is to support them without in turn being "used" by people who are really working for a counter-revolution in Germany and might bring more chaos than order to post-war Europe.

Editorials in Brief

Advice given by Walter Winchell to Americans in his Sunday night newscast: on Memorial Day place an extra wreath in memory of the sailors of H.M.S. Hood. They died 1,000 miles nearer to North America than to England. They were defending this continent when their ship was destroyed.

* * *

What has suddenly happened to Saint John's newspaper? After feeding its readers, ever since the war began, on sedative, say-nothing editorials, it has suddenly burst out with a demand for action. The demand is mild and is addressed only to Mr. Lapointe, whom the Saint John Journal conceivably likes less than it likes Ian Mackenzie, its favorite among great Canadian statesmen.

The Saint John paper recites Mr. Lapointe's declaration that Communists in Canada are seeking to undermine and capture the labor unions of Canada. It wants to know why—since the Minister of Justice seems to have the facts—he does not lock up the Communist conspirators.

* * *

On the same page of the Edmonton Journal last week appeared these two headlines: "Worst teacher shortage ever is feared ahead for Alberta" and "University graduating class will be the largest in history."

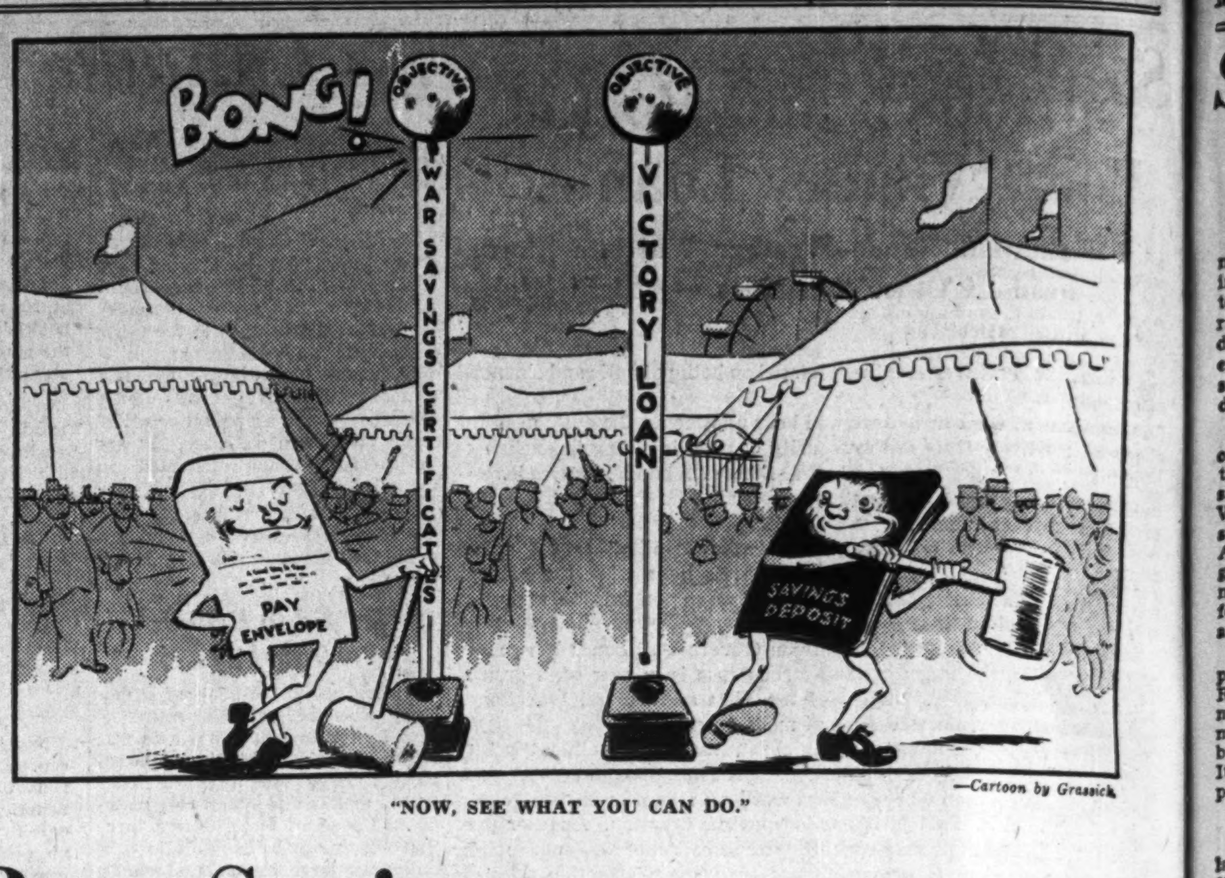
Surely the latter situation could do much to relieve the former. The shortage, it is true, is in normal school graduates for public school teaching. Here school boards are running into increasing competition from recruiting. But for the duration of the war at least could not some of the record crop of university graduates be induced to join the ranks of the public school teachers?

* * *

One of the most curious features of the Victory Loan campaign is that investment dealers and stock brokers, whose business it is to sell bonds, are not allowed to advertise the issue in any way. Yet banks and trust companies have sent out letters urging support for the loan and offering to accept subscriptions.

The reason why bond and stock dealers are not allowed to advertise is that they have agreed to pool their efforts in a co-operative campaign to sell the loan. They will be approaching prospects assigned to them rather than their own regular clientele. Many of the dealers will be working behind the scenes on administrative matters.

But if bond dealers were to be forbidden to offer the loan to their clients, the banks and trust companies should not have been allowed to do so.



"NOW, SEE WHAT YOU CAN DO."

—Cartoon by Grassick

Post-Scripts . . . .

A Rover for Washington

Paul Reading, of the Press Gallery, who goes to Washington as the press attache at the Canadian Legation, takes with him a newspaperman's education. Mr. Reading knows this country like the back of his hand. He has knocked about the world; seen life in the velvet and in the raw.

PAUL READING

Still under 50, Mr. Reading was born in Toronto and began learning his trade of journalism under Sir John Willison on the old Toronto News. Thence he went to the Globe, and thereafter, as a young man, he knocked about the country, learning more about it than could be gained in a dozen tours first class, seeing more than could ever be visible from the rear end of an observation car.

As a lad he was in on the tail end of the mining boom at Porcupine. He worked his way west, reported for the Winnipeg Tribune and edited the Brandon Daily News. Then came a spell of driving pack ponies far north in Alberta when the A. and G. W. Railway was being surveyed. He learned a smattering of Cree on this job. He turned his hand to hunting and trapping but always kept up his newspaper work either by spells on newspapers or by correspondence from frontier areas.

When the first Great War came he joined the Lord Strathcona's Horse, served in France. He was wounded while acting as bodyguard to Fred Harvey, V.C., now D. O. C. at Calgary.

After the war came another spell on the Globe, followed by four years in China with Reuters. For a time Reading edited the Tung Fang Shih Pao (the Far Eastern Times) printed half in English and half in Mandarin. He had a fair vocabulary in Mandarin when his eastern assignment ended.

He returned and joined the Toronto Star and from there he went to the Southam's. He had a roving assignment in Canada, travelling wherever news beckoned. His despatches, printed in the Southam string of newspapers, attracted wide attention. Mr. Reading is particularly gifted in writing on economic questions.

For a time he served the Southam papers in Washington. Then, in 1934, he came back to become the managing director of the Hamilton Herald. Two years later he went to Calgary to be the executive editor of the Herald. Last year he came to the Press Gallery.

Mr. Reading is a splendid example of the rolling stone that has gathered moss—experience, insight, knowledge. He is a thoroughly seasoned, competent journalist who knows Canada at first hand and who also knows the newspaper fraternity at Washington.

His new job will be to find the answers to the flood of questions which come to the legation—largely from United States newspapermen. No better service to this country can be rendered than promoting understanding and interest.

* * *

New Tory Boss

The Conservative Party of Canada must have been thinking of the slogan: "An eye to the future, an ear to the ground" when it handed 44-year-old Gordon Graydon the job of National Chairman last week. In the youthful M.P. for Peel County is now vested more power than the party has ever accorded anyone outside the leader. It will be Mr. Graydon's job to study, plan and set in motion, the organization, administration, publicity and the nation-wide survey deemed essential if this historic party is to fill its accustomed role of power and influence in the political life of the Dominion. He will have unlimited authority and little better than four months before he makes his first report to the party national executive which is called to meet next October.

GORDON GRAYDON

Mr. Graydon's authority extends virtually to all Dominion party affairs outside the House of Commons and the Dominion Conservative Association which continues to function under President John R. MacNicol.

Mr. Graydon's job is not unlike a similar task which faced the Republican Party in the U. S. A. a few years ago. That party also undertook a nation-wide survey to ascertain what course it should follow to regain lost strength and potency. As subsequent events proved very clearly, the Republican's greatest handicap was probably the "old gang" which clung to office and preferment despite the handwriting on the wall. Without "new broom" Willkie the party would doubtless have been tossed back into the limbo as completely as the Dominion Conservatives have been in recent days. If Gordon Graydon can locate a Canadian Wendell Willkie somewhere in the highways and byways of the Dominion he will earn not only the undying gratitude of his own party but of Canadians everywhere.

* * *

Gordon Graydon is a Peel County farmer's son who, like many another Methodist lad was sent for his higher education to Victoria College in the University of Toronto. He graduated in Political Science in 1921. Three years later he was called to the bar in Ontario and began the practice of law. His home is in Brampton, Ont., and his law office there and in Toronto.

Twelve years ago he was named secretary of the Peel County Conservative Association. In 1932 he became its president. Because of his special interest in "junior" Conservatives he was named provincial president of the Young Conservative organization in 1934.

When the Peel veteran, Sam Charters, retired prior to the election of 1935 (he had held the seat for the Conservatives continuously since 1917) Gordon Graydon was chosen to take his place. His margin was narrow (170 votes out of a poll of 16,000) but five years later Peel County confirmed the choice by sending him back to Ottawa for a second term in face of the overwhelming defeat of the party under the leadership of Dr. Bob Manion.

* * *

There is nothing brilliant about Gordon Graydon's parliamentary style or accomplishments. Yet from his earliest appearance at Ottawa, his former leader Rt. Hon. R. B. Bennett singled him out as a young man of exceptional sincerity and high character.

Few men keep as closely in touch with their constituency as Gordon Graydon. He has never gone "high hat;" has never lost his urban interest in rural affairs. His smile has broadened with his waistline. From his Irish ancestors, Mr. Graydon has apparently inherited a bent towards superstition. His new job started May 23. He says 23 is his lucky day. He moved from the farm on July 23, married on another July 23. He was elected president of the Ontario Junior Conservatives on Jan. 23, re-elected to that office Feb. 23 and was first nominated to Parliament on March 23.

* * *

Soldier Civilian

Like many of Canada's soldiers, Major-General Charles Basil Price, D.S.O., D.C.M., V.D., A.D.C., is a non-professional whose career has been as successful in the field of industry as war.

Recently appointed head of the 3rd Canadian Division, General Price is president of Elmhurst Dairy Ltd., Montreal, subsidiary of Eastern Dairies Ltd., and a director of Producers Dairy Ltd., Eastern Dairies Ltd. and Acme Farmers Dairy.

MAJ.-GEN. PRICE

Recently General Price arrived back in Canada from Britain to take over his new duties.

Head of the third division exemplifies the soldier-civilians who have jumped in for a second time to aid in the Empire's defense.

* * *

Born in Westmount, Quebec, in 1889, General Price went into first Great War as a sergeant-major in the 14th Battalion, C.E.F. (now perpetuated by the Royal Montreal Regiment).

In April, 1915, Sergeant-Major Price proved his military worth by winning the Distinguished Conduct Medal and along with it a commission. He was promoted to a captaincy in 1916 and in 1918 received his majority. He returned with his regiment to Canada as second-in-command and was demobilized.

He entered employment of Elmhurst Dairy Ltd. Combining business with energetic participation in military affairs he took over command of the 12th Infantry Brigade. He brought the 17th Duke of York's Royal Hussars to an efficient peak.

Champion of the ex-serviceman he was first-vice-president of the Canadian Legion when second world war broke out. He threw his energies into the Poppy Fund and was on the executive of the Last Post Fund.

In the non-military sphere he was also active and was elected president of the Montreal Canadian Club in 1935.

At the outbreak of the present war General Price quickly entered into active military service and went overseas in December, 1939, as Brigadier in command of the third brigade of the first division.

Several weeks ago he was promoted to the rank of Major-General to head the 3rd Canadian Division, which, it is expected, will play an important rôle in Canada's growing army.

* * *

Stop Me If . . . .

For some time, strange birds had been following the ship, and one passenger got curious, asking everybody all sorts of questions. At dinner she began again.

Tired of her questions, the captain turned to the first officer and asked plaintively:

"Can you say where those birds came from?"

"Eggs, sir," was the prompt reply.

Other People's Views . . . .

The Canadian Editorial of the Week

Where Control Is Absent

The Globe and Mail, Toronto

The Dominion Government has adopted certain policies to control prices and prevent inflation which have been accepted by the people wholeheartedly. It has eliminated war profiteering . . .

The Government, however, shows deplorable weakness in dealing with one element which affects prices, and may indeed undermine the entire control system. This is the increasing epidemic of strikes. . . . In normal times no one can begrudge whatever fair gains organized labor can make, even at the expense of costly stoppages and higher prices for the product. In wartime the cost has to be counted differently.

The stoppage of production then may be a matter of life and death for young men who have renounced all privileges and conditions for $1.30 a day. It is nothing less than a calamity when war work ceases for any reason. Yet the Department of Labor views it with peacetime complacency, and accepts it as a logical contingency of employment.

What meaning has the term "maximum of effort" when tens of thousands of man-days are lost in a month over strikes or lockouts? How earnestly is the war being prosecuted if hundreds and thousands of workers can listen to the harangues of agitators and down tools to demand more money, or for any other cause? How completely is the national effort harnessed to win the war if any one with a glib tongue can say war supplies must be held up until terms he lays down are accepted?

The truth is the Government is losing its control on prices and production because it lacks the courage to enforce its regulations . . .

Bonuses paid when the cost of living rises are fair. If Government sticks to this, cost will rise, but only a minimum. Nevertheless, the situation is getting out of hand, with higher costs for living and war materials. Where will these stop? Where will the additional money come from to pay? Will it be easier to check the spiral at some later date than now?

The Government is controlling everything but this one price element, where it seems inclined to let the law of supply and demand rule. Worst of all, it tolerates stoppages of war work as though time counted for little. It has abdicated to the C. I. O. in many industrial centres. This is the Government that prates about all our resources and the maximum war effort.

* * *

The Mail-box

German Nation Must Pay

Editor, The Financial Post:

The recent article by Otto Strasser "Germany Between Hope and Fear," presents a very dangerous point of view which the democracies must resist at all costs.

He readily admits that Hitler will be defeated either by his enemies inside or outside Germany. But he evidently assumes that Hitler's overthrow will bring the end of the war. Such a conclusion to this struggle would be a repetition of our mistake in 1918. In that war, after four years tremendous effort, we succeeded in driving the Kaiser to a comfortable retirement, but we left the German nation intact to plot and scheme and arm for another try.

No, the German nation must pay the price of the war-creating policies which she has permitted to develop under Hitler. Pleading for mercy under the excuse of non-responsibility should not be allowed to influence our humanitarian and sentimental instincts. If we even consider such a plea for peace we will simply permit another armistice until some other strong arm leader teaches another German generation to attempt world domination.

The German nation as such must be destroyed, split up and its people positively controlled by peace-loving nations. Nothing less must be our objective.

GEORGE W. YENDALL,
London, Ont.

* * *

As Others See Us

Less Goods For Ourselves

Vancouver Sun

The expert draughtsmen of The Financial Post have drawn up in diagram form, so that anyone can understand them at a glance, the basic figures of our national Canadian housekeeping. Anyone who observes the diagram will see the picture of Canada as a whole and begin also to realize how the position of Canada affects him personally.

The effect on the average Canadian is seen to be a reduction in the consumption of goods—a reduced living standard but, as the brilliant Canadian orator, Leonard Brockington, said in a recent speech, we are more interested now in our standard of life than our standard of living—two very different things.

This year the Canadian Government expects Canada to produce an income of $6 billions. If we could use all that money—or all those goods and services—we would be better off, more prosperous by far, than ever before in our history. Unfortunately, we cannot use them or even half of them. Almost 50% of them will be unusable goods — tanks, guns, planes, shells.

There is no way of getting around these facts. No financial magic will alter them. No manipulation of the money system will enable us to have more goods for ourselves. Even if we manage to increase our total output beyond the $6 billions mark—and that seems impossible—there will be no more goods for us in the long run because we will prefer to put our extra energies into war goods.

* * *

What the Papers Are Saying

Super Highway Creates Problem

Canadian Automotive Trade

Excessive speed undoubtedly aggravates the injuries or damage resulting from highway accidents when they do happen, but it is open to question whether high speed, in itself, is the cause of as many accidents as it is popularly supposed. Reflection on this point is suggested by a recent demand in the Ontario Legislature for action by provincial police toward curbing high speed driving on the Queen Elizabeth Way, a new four-lane, dual highway recently opened between Toronto and Niagara Falls.

Without regard to statistics, which are admittedly misleading in many instances, we know from experience that the chief cause of accidents on these new "super" highways is lack of experience in driving on this type of road, coupled with sheer negligence. For years motorists preparing to overtake another car on a standard two-lane highway, have been accustomed to pull out a little to the left before passing and to look ahead for traffic approaching in the opposite direction. On the dual highway, the procedure must be reversed. That is the driver intending to pass another vehicle must know whether another car, bus or truck is approaching from behind and act accordingly.

Sayings of the Week

"Making a fool of yourself is not so bad if you have sense enough to know who did it."—*George Bernard Shaw.*

* * *

"If the free way of life and economy passes in England, the free way of life and economy will pass in America."—*Wendell Willkie.*

* * *

"We offer Britain another tool of war." —*Munitions Minister C. D. Howe, at showing of first Canadian made tank in Montreal last week.*

* * *

"Many a time I have said the farmer is the only man in business who takes what he is offered and pays what he is asked."—*Agnes Macphail.*

* * *

"You (Hitler) never met any people like us. And you had best implore whatever pagan god you believe in that you may be spared the day." — *Wendell Willkie.*

* * *

"Were England to fall, the pincers movement would begin once again, this time to close on North America."—*Arthur B. Purvis at Montreal Victory Loan luncheon.*

* * *

"Simple faith in the freedom of democracy in the world is the kind of faith for which we have fought before—and for the existence of which we are ready to fight again."—*President Franklin D. Roosevelt.*

* * *

"The American people are willing to spill their blood to crush Adolf Hitler and are eagerly awaiting responsible and authoritative Government leadership to put forth a programme to defeat the Axis powers." — *Senator Claude Pepper.*

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Steel Mill Plan Encourages B.C.

Dominion Bridge Plans Big Help to Ship Programme

From Our Own Correspondent

VANCOUVER.—Decision of Dominion Bridge Co. to establish rolling mills and furnaces in Vancouver to handle scrap steel for use of the rapidly expanding shipbuilding industry in British Columbia is regarded as a development of far-reaching significance. W. F. Angus is president and managing director.

The move may be the forerunner of a larger industrial undertaking—the installation of facilities for smelting iron ore from the mines of Vancouver and Texada Islands. A survey was recently completed by American experts for the provincial government with a view to determining whether such a project is feasible, and the recommendations are being awaited with interest.

Meanwhile Dominion Bridge is preparing to dismantle its Manitoba Rolling Mills plant at Calgary, and much of the machinery and equipment lying idle there since 1930 will be moved out to the Vancouver site. It is estimated that the cost of the project will be about $1 million.

Much Scrap Available

British Columbia is now accumulating scrap steel at the rate of about 65,000 tons annually and while some of this is absorbed by existing foundries a large surplus is available for such a plant as Dominion Bridge will establish.

The plant will probably use fuel oil in open hearth furnaces. The product will be chiefly rods and angles to be turned over to the half dozen or so engineering plants and machine shops manufacturing boilers, windlasses, winches and other auxiliary equipment for the 100 9,500-ton steel freighters being built to the account of Wartime Merchant Shipping, Ltd., headed by H. R. MacMillan.

W. F. ANGUS

By creating a source of supply on the coast Dominion Bridge will avert the threat of delay in getting adequate steel for the ships which would have continued had B. C. continued to depend on the East for all its requirements. At the same time Canada will be able to save the U. S. dollars that might otherwise have been expended across the border for steel.

Businessmen hope that the Dominion Bridge plant, which may handle from 150 to 200 tons daily, will eventually grow into a substantial enterprise, possibly tying in with the mills envisioned by the Provincial Government and utilizing native iron ore.

The Provincial Government feels that a tin-plate mill may be the logical sequel of the present plant, as there is a growing market in British Columbia for tin owing to the large scale operations of the fish and vegetable and fruit packing industries.

The Week in Business

Current business continues active with D. B. S. index for week ended May 17 more than 3% above last year.

The Financial Post Business Index for April 10% higher than year ago, though pulled below previous month by recession in some of the component factors.

Railway carloadings to week ended May 17 almost 16% above 1940 level.

Railway gross traffic earnings for third week of May and year to date show substantial gains over preceding year for both roads.

Iron production gains 22% in April compared with 1940.

Steel production in April 31% above last year's level.

Gold receipts at the mint lower for April, but total for four months up 4%.

Total exports up 26% for first four months compared with 1940.

Bank debits for April and first four months above 1940 levels.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	May 17	May 10	May 3	Apr. 26	May 18/40
Weekly index of business, D.B.S.	108.9	109.8	111.4	111.3	105.4
Commodity prices index no.	87.2	86.9	86.7	86.4	81.9
	Apr.	Mar.	Feb.	Jan.	Year Ago
▪The Financial Post business index	°147.1	150.7	152.5	154.6	133.5
Retail sales index no.	....	129.3	130.8	124.6	112.3
Dept. stores sales index no.	133.5	124.8	126.1	123.5	106.2
Wholesale sales index no.	....	124.3	110.5	106.2	104.1
Country store (% change pr. yr.)	....	+5.5	+4.4	+2.4	+8.8
EMPLOYMENT INDEX Nos., D.B.S.	Apr. 1	Mar. 1	Feb. 1	Jan. 1	Year Ago
All industries	....	135.3	135.2	134.2	113.5
Manufacturing	....	150.8	147.4	142.5	122.6
▪Living costs weekly budget	$18.23	$18.16	$18.13	$18.26	$17.76
			Jan. 1 to date		%
RAILWAYS	1941	1940	1941	1940	Change
▪Carloadings (week May 17)	61,737	53,063	1,115,633	963,383	+15.8
▪C.N.R. gross (week May 21)	6,083,696	4,581,215	107,252,389	84,804,238	+26.4
▪C.P.R. gross (week May 21) $	4,371,000	2,891,000	74,779,000	56,922,000	+31.3
C.N.R. net revenue (Apr.) $	6,799,362	1,688,981	17,490,928	7,126,942	+145.4
C.P.R. net revenue (Mar.) $	3,246,075	1,501,561	8,520,406	5,302,488	+60.0
IRON AND STEEL—(April)—					
▪Pig iron production (tons)	103,326	84,210	399,614	367,717	+8.7
▪Steel ingots and castings prod. .... (tons)	200,680	153,451	755,162	617,616	+22.4
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Mar.)	11,272	10,481	23,727	24,999	—5.1
Factory output ... (Apr.)	12,091	13,487	46,821	50,870	—7.9
Trucks and Buses:					
Domestic sales* .. (Mar.)	3,389	2,515	8,130	6,605	+23.1
Factory output ... (Apr.)	15,493	6,200	53,712	20,835	+158.0
Financing:					
Used .... (Mar.) $	4,127,736	2,820,514	9,424,907	6,837,489	+37.8
New .... (Mar.) $	3,352,549	2,590,162	7,945,350	6,389,014	+24.4
CONSTRUCTION—					
Contracts awarded . (Apr.) $	23,567,200	25,905,000	88,843,500	58,244,700	+52.5
Cement prod., bbls. (Feb.)	302,182	204,287	584,746	394,862	+48.1
AGRICULTURE—					
Flour prod., bbls. .. (Mar.)	1,476,673	1,257,034	4,116,229	3,770,135	+9.1
Flour exp., bbls. ... (Apr.)	849,816	519,870	2,370,530	2,520,103	—5.9
Wheat exp., bush. .. (Apr.)	20,322,400	5,081,736	46,284,793	30,665,855	+50.9
Cattle sales▴ .... (Apr.)	89,786	93,444	313,431	302,991	+3.4
Hog sales▴ .... (Apr.)	629,453	476,593	2,154,847	1,596,254	+35.0
SEA FISHERIES—‡					
Catch, cwts. .... (Mar.)	407,300	456,550	1,280,000	2,620,150	—51.1
Landed value ...... (Mar.) $	562,230	425,600	1,667,630	1,840,800	—9.4
NEWSPRINT—					
Production, tons ... (Apr.)	279,996	268,947	1,062,670	1,003,081	+5.9
Exports .... (Apr.) $	13,018,979	12,317,752	43,917,357	39,329,845	+11.6
MINING AND OILS—					
Coal prod., tons ... (Mar.)	1,529,103	1,341,158	4,755,186	4,564,194	+4.1
Coal imports, tons .. (Mar.)	703,411	430,598	1,741,393	1,345,315	+29.4
▪Gold rec., fine oz. . (Apr.)	385,488	481,995	1,685,812	1,611,605	+4.6
Crude oil prod., bbl. (Feb.)	737,313	655,586	1,539,965	1,142,445	+34.7
Crude oil imp., gals.† (Mar.)	62,661	55,085	181,124	169,704	+6.7
ELECTRIC POWER OUTPUT—(March)—					
Total monthly, 1,000 kw.h.'s	2,631,809	2,426,157	7,673,572	7,319,331	+4.8
FOREIGN TRADE—♦					
Imports .... (Mar.)	107,982,222	76,733,896	295,996,312	218,879,594	+35.2
▪Exports .... (Apr.)	125,886,950	84,692,678	418,367,204	331,325,726	+26.2
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Apr.)	142,653	148,959	629,296	579,605	+8.5
Shoes, prod., pr. ... (Mar.)	2,524,243	2,242,756	6,641,192	6,595,846	+0.6
Cotton consump., lb. (Apr.)	17,114,949	15,805,855	66,201,826	63,467,175	+4.3
Raw rubber imp., lb. (Mar.)	9,636,314	6,076,667	31,232,029	24,755,771	+26.2
Cigarette cons. No.† (Apr.)	616,466	648,732	2,489,228	2,317,045	+7.4
Sugar manufactured .. lb.‡	49,950,676	59,710,134	192,032,236	182,461,630	+5.2
FINANCE—					
▪Bank debits† ...... (Apr.) $	2,984,165	2,938,298	11,303,597	10,980,510	+2.9
Bond sales† ...... (Apr.) $	78,830	88,296	318,216	617,333	—48.4
▪Life insurance sales (Apr.) $	35,398,000	32,248,000	128,924,000	128,059,000	+0.6

*D.B.S. All Canada figure covering over 90% of the Canadian total.

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. °Preliminary.

▴Total at yards and plants

New items for week marked ▪

†000's omitted. ‡For four weeks to April 19. ♦Gold excluded.

The WESTERN SAVINGS and LOAN ASSOCIATION
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411 Avenue Building - - - - - Saskatoon, Sask.

"Nor Flag Nor Fail"

THE confidence and determination expressed in those epic words of Winston Churchill imply an imperative need for all-out co-operation, precision and control in all our efforts. All our resources and industries, large and small, are playing their part in the outcome of the struggle that lies ahead.

Every facility, every method and device that tends to speed up our effort, that helps to inspire clear-thinking and co-ordination, is more than ever essential today. The medium by which all enterprise functions and through which all contacts and contracts are made is the *office*, veritably the control-room of industry.

Obsolete equipment thwarts action and distracts concentration. Now is the time to put your office on a 100% precision basis.

Makers of the Only Complete Line in Canada of
FILING SYSTEMS and OFFICE EQUIPMENT

THE OFFICE SPECIALTY MFG. Co. LIMITED
Head Office and Factories — NEWMARKET, ONT.
Retail Branch Stores in Principal Canadian Cities

Passenger Auto Sales Hold Up

Buying of passenger autos in Canada held at 1940 levels during April, it is indicated by Canadian Automotive Trade's monthly report on new passenger car registrations in Ontario, Quebec and the Maritimes. Totals slightly ahead of last year are shown for both April and the first four months of this year.

New Passenger Car Registrations In Eastern Canada*
12 Leading Makes for the Month

	— April —		Yr. to Date	
	1941	1940	1941	1940
Chevrolet ..	2,211	1,977	5,694	5,172
Dodge	1,663	1,710	4,564	4,819
Ford	1,616	1,605	4,590	4,207
Plymouth ..	1,571	1,399	4,045	4,016
Pontiac	977	642	2,502	1,805
McL.-Buick .	507	515	1,341	1,387
Oldsmobile .	410	417	1,139	1,089
Mercury ...	399	342	1,305	1,016
Chrysler ...	301	435	1,006	1,220
Hudson	154	391	351	952
Desoto	131	202	386	622
Nash	124	376	305	855
	10,064	10,011	27,228	27,160

*P.E.I. not reported.

B. C. Lumber Trade Faces Drastic Readjustments

From Our Own Correspondent

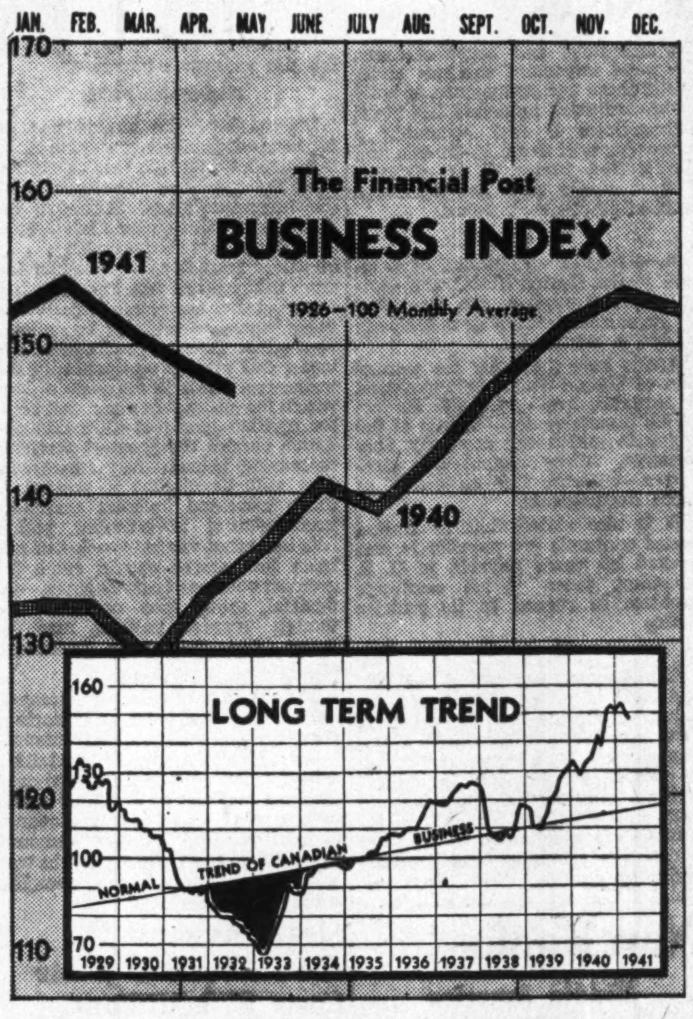
VANCOUVER.—Virtual blackout of the British market for lumber this year as a result of acute scarcity of deep-sea tonnage and other factors is forcing British Columbia's $8 million lumber industry to readjust its whole production setup.

During the interval it may be necessary for many of the larger tidewater mills to curtail operations drastically. These mills have been concentrating on United Kingdom business for several years and have adjusted their cutting standards to meet U. K. requirements. Now the British market is severely reduced and the only dependable customer is Canada, with the possibility that the United States will buy considerably more lumber here than usual.

The mills cannot dispose of lumber cut for U. K. needs in the domestic market; hence they must change their plants accordingly or face the alternative of curtailed production or profitless accumulation of unsaleable stock.

Owing to the priority of war industries, high-speed steel required for saws and other necessary equipment is difficult to obtain promptly, adding to the complications facing the industry.

The B. C. lumber salesman is back to the spot where he started from 30 or 40 years ago when his chief buyer was close to home. In the past 20 years the export trade has steadily gained in importance and in recent years almost to the exclusion of domestic business. With B. C. selling more than half its total 1940 cut of two billion feet to the United Kingdom, it was not difficult to justify a policy that gave overseas requirements precedence over all others. With Britain temporarily out of the market, the B. C. industry finds itself with its chief foundation shot out from under it. It is obvious that the sawmills will have to ride the rail trade this year for all it's worth and try to sell more in the U. S. market.



CANADIAN BUSINESS UNEVEN

Canadian business in April was uneven compared with the previous month, recessions being registered in certain branches such as sugar refining and tobacco consumption. Due to this and to the smoothing process, The Financial Post Business Index for April was 2% lower than in March. The general level of business, however, was well above that of April last year and the index accordingly was 10% higher.

With war contracts and commitments by the Department of Munitions and Supply amounting to a grand total of $1.5 billion to the end of March, considerable acceleration of business operations is expected in the remaining months of the year.

Major Economic Factors

		— April —		Increase + Decrease —	Mar.
		1941	1940	%	1941
F. P. Business Index†		*147.1	133.5	+10.2	150.7
Bank deposits†		147.1	128.8	+14.2	148.1
Asbestos exports	tons	15,066	14,335	+5.1	14,770
Gold receipts at Mint	fine oz.	385,488	481,995	—20.0	426,842
Silver shipments	fine oz.	1,481,481	1,685,748	—12.1	1,521,725
Sugar manufactured	lb.	49,950,676	59,710,134	—16.3	60,847,403
Cheese factory production	lb.	3,720,386	4,845,111	—23.2	1,407,806
Butter, creamery production	lb.	19,032,969	16,602,161	+14.6	12,350,708
Newsprint production	tons	279,996	268,947	+4.1	275,769
Woodpulp exports	cwt.	2,197,697	1,604,260	+37.0	1,911,389
Shingles exported	squares	267,550	287,368	—6.9	273,907
Automobile production	no.	27,584	19,687	+40.1	26,044
Pig iron production	tons	103,326	84,210	+22.7	102,038
Carloadings	no.	251,553	218,902	+14.9	249,698
Exports	$	125,886,950	84,692,678	+48.6	102,995,261
Bank debits	$000	2,984,165	2,938,298	+1.6	2,838,146

†1926=100. *Preliminary.

Decline Shown In Fire Loss

There were 46,629 fires in Canada in 1940 with a total loss of $22.7 millions, according to the annual report of W. L. Clairmont, Dominion Fire Commissioner to the Dominion Superintendent of Insurance. This is 874 fires more than in 1939 but a decrease of $1.9 million in the value of property destroyed.

Total number of lives lost by fire was also lower at 243 compared with 263 in 1939.

Fires in industrial plants increased by 123 during the year and the fire loss was up $350,000. Mr. Clairmont remarks this cannot be considered too disappointing in view of the greatly expanded industrial activity during the year.

In only one case he said, could the issue be traced to sabotage and in that case the loss was negligible.

There were two fires in 1940 in which the loss exceeded $250,000: a wholesale grocery store at Owen Sound with a loss of $254,728 and a silica products plant at Amherst, N.S., with a loss of $251,150.

Shortage of Shipping Hits B. C. Coal Mine Operators

From Our Own Correspondent

VANCOUVER.—Ship shortage and other conditions arising from the war have created an acute situation in the coal mines at Vancouver Island, and production and revenues have declined steeply during the past few months.

Last year production showed considerable increase in the output of the mines scattered along the island's east coast from Cumberland to Ladysmith, but the returns for the first quarter of 1941 show a slight reduction — 410,000 tons compared with 418,000 tons a year ago. The curtailment will be more noticeable as the year progresses, according to present indications.

Last year the coal fields of the East Kootenay district exceeded the output of Vancouver Island mines for the first time, and this year the difference will be greater.

The Kootenay mines have the advantage of the Consolidated Mining & Smelting Co. as chief customer and war has resulted in tremendous expansion of that company's operations.

Less Coal Loaded

Fewer ships operating in the North Pacific means that fewer ships are loading bunker coal on Vancouver Island. The fact that most of the coal produced in British Columbia is consumed outside the province makes the mines particularly susceptible to any change in general conditions.

Increased use of fuel oil and other fuels has been a bogey to the coal industry for years. The Granby Co. at Princeton has demonstrated how coal may be economically used to provide power, and coal may be used to an increasing extent if various coast war industries find immediate supply of waterpower inadequate. All the 100 ships being built to the order of Wartime Merchant Shipping on this coast will be coal-burners, but their effect on the coal market will be transitory as they will be used in deep sea lanes and may not bunker here regularly.

Canadian Collieries (Dunsmuir) Ltd., is the biggest operator in the Vancouver Island fields.

Dartmouth to Get Housing Project

Wartime Housing Ltd., new Government company, acted last week to relieve housing congestion in Dartmouth, N.S., in addition to the large project already under way in Halifax. Contract was awarded to Foundation Maritime Ltd. for construction of 45 family dwellings and one staff house. Cost is estimated at about $100,000.

The company is preparing to start work shortly on a project at Peterboro, calling for 50 single houses.

Smarten-up your duplicating!
Use
~~easy running~~
~~better looking~~
Script mimeo
BOND

Made (in Pure White and six attractive colours) by Provincial Paper Limited. Sold and recommended by leading paper dealers.

TO ISSUE TWO YEARS REPORTS

Annual report of Muirheads Cafeterias Ltd. will be available about May 31, 1941, according to company officials. Along with the report for the year ending Feb. 28, 1941, will be issued the statement for the previous fiscal year, not hitherto issued.

It is reported that 1941 earnings were better than 1940, principal improvement being in adjustment of leases and contingent liabilities connected therewith. Working capital is said to have improved. It stood at $18,948 at Feb. 28, 1939.

PUSHING FORWARD through virgin forest, Hydro "wires the wilderness" to bring power to all.
QUEENSTON-CHIPPEWA Generating Station—just one of the forty-six Hydro generating stations in Ontario.
AS NEW DEMANDS arise, towers rise to meet them. Hydro keeps pace with Ontario's needs.

STEEL AND WATER

Hydro dips "white coal" from Nature's powerhouses . . . transports it on wings of steel

Rivers, lakes and waterfalls . . . these are Nature's powerhouses. Harness their mighty energy to electric generators and you have a never-diminishing supply of the "white coal" of this modern electrical age. *Towers of Steel, cables of copper and aluminum* . . . these make up the "transportation system" that carries the power to distant towns, farms, factories, mines.

Here in Ontario, we have built up one of the world's outstanding developments in electric power generation and transmission. Hydro has harnessed the thundering Niagara in the south . . . the turbulent Abitibi in the north . . . the rushing Nipigon in the west . . . the broad Ottawa in the east . . . and dozens of rivers and falls in between. Today, *forty-six* Hydro generating stations turn the energy of the waterways into millions of useful electrical horsepower.

Today, hundreds upon hundreds of miles of Hydro towers march across the length and breadth of the province —bringing power *"at cost"* to nearly 800,000 users in the home, in industry and commerce — to over 110,000 rural homes—and to scores of north-country mines.

This job—generating power at the source and transmitting it to where it's needed most—is the "big job" of your Hydro-Electric Power Commission. As a citizen, you can be proud that Hydro is doing the job efficiently and economically . . . as the trustee of Ontario's great natural resource — inexhaustible water-power.

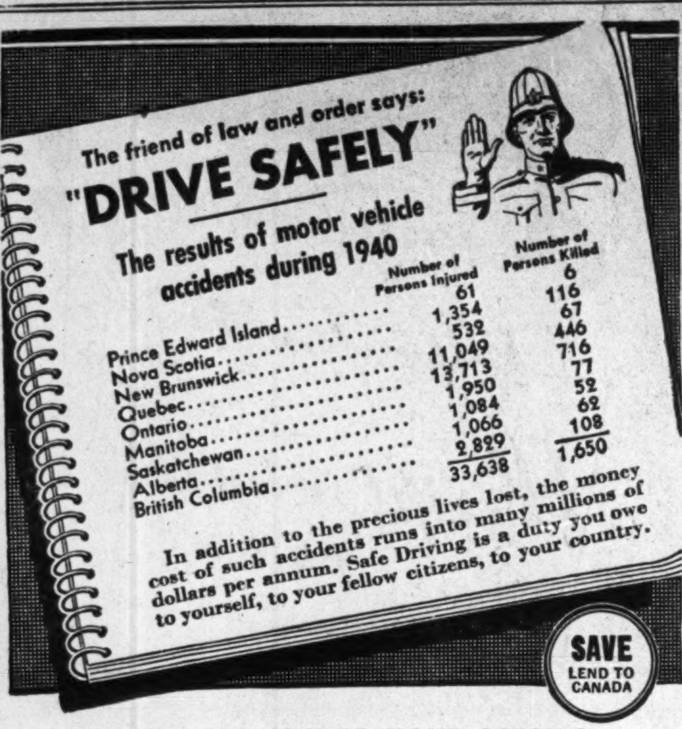
BUY WAR SAVINGS CERTIFICATES

—IT'S YOUR HYDRO SYSTEM—

OUR WAR EFFORT RELIES ON IT... YOUR COMMUNITY DEPENDS ON IT... YOUR SUPPORT MAKES IT STRONG

HN-31

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO


The friend of law and order says:
"DRIVE SAFELY"
The results of motor vehicle accidents during 1940

	Number of Persons Injured	Number of Persons Killed
Prince Edward Island	61	6
Nova Scotia	1,354	116
New Brunswick	532	67
Quebec	11,049	446
Ontario	13,713	716
Manitoba	1,950	77
Saskatchewan	1,084	52
Alberta	1,066	62
British Columbia	2,829	108
	33,638	1,650

In addition to the precious lives lost, the money cost of such accidents runs into many millions of dollars per annum. Safe Driving is a duty you owe to yourself, to your fellow citizens, to your country.

PUT "SAFETY" INTO YOUR AFFAIRS

BUDGET YOUR EARNINGS to provide for—Income and Other Taxes—usual expenses of living—a Savings Fund for emergencies and for the future.

CURRENT ACCOUNTS—For Business and Personal Payments.

SAVINGS ACCOUNTS—For special-purpose and Investment Funds.

SAFETY DEPOSIT BOXES—For Securities and Valued Papers.

LOANS—Business and Personal (including Instalment Loans).

All Banking Services are available to you and your active use of them will be welcomed.

The BANK of NOVA SCOTIA
EST'D. 1832—OVER A CENTURY OF BANKING EXPERIENCE

Invite Your Friends

● Now is the time to write your friends in the United States reminding them that Canada welcomes guests as usual this summer, and offers a wealth of summer attractions.

Last summer false rumours that wartime conditions in Canada were unfavourable to travelers, got into circulation. This summer let the facts be known. Spread the truth among your own friends and help Canada's tourist revenue, and Canada's power to buy American war supplies.

IMPERIAL BANK OF CANADA
Head Office Toronto
BRANCHES THROUGHOUT CANADA

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS
MUTUAL INSURANCE COMPANY
Vance C. Smith, Chief Agent — Concourse Building, Toronto

"Chief, this Bank of Toronto loan will enable us to buy the raw materials at a very attractive price."

"Yes—I've always found The Bank of Toronto willing to co-operate with a loan for the benefit of my business."

This bank is proud of having helped many business men achieve success. If your business is in need of a loan we invite you to talk it over with the manager of our nearest branch.

THE BANK of TORONTO
Incorporated 1855

2-41

Banking

Inflation Nothing But Taxation

Experiments of Last 2,000 Years All Have Same Results

This article, the last in a series of twelve, dealing with currency inflation reviews the general features common to various experiments that have been tried in the past. It describes how inflation, usually designed to avoid taxation, in reality places a heavy tax on the people least able to stand it.

By DONALD G. MacLEAN
Staff Writer, The Financial Post

In previous articles in this series it has been evident that while experiments in inflation have been attempted at intervals over the last 2,000 years, they all have a number of common features as follows:

They grew out of a desire to obtain government funds by what appeared to be the easiest and quickest way.

There was no intention at the start to carry the plan to extremes.

The creation of money got out of hand before people or authorities realized it.

The results were disastrous to the people at large creating inequities and causing much hardship to a large part of the population.

They all seem to have been due to a lack of understanding as to what money really is.

Confusion in Ideas

Once money in the form of notes or coins came into existence the idea developed in the minds of some that money itself was wealth and that if the volume of money were increased the volume of actual wealth would automatically increase also. This thought appealed particularly to governments faced with unusually heavy expenditures such as war. They thought because they were in control of the issue of money they could, by creating more, finance a war or other large expenditures without taxation or borrowing. But this theory overlooked the fact that money is valuable mainly because it can be exchanged for something else. Robinson Crusoe's chests of gold coins were of little advantage to him because he could use them only as ornaments or to play with. He couldn't eat them or wear them, nor could he exchange them for anything that was of use to him. Gold coins in Canada are valuable to the individual only to the extent that a person wants them as ornaments or can exchange them into something else. So, too, with Bank of Canada notes. A person can't eat or wear them. They are of value only because they can be used to buy something wanted. Accordingly, money may be regarded as a commodity that is valuable only because it is acceptable to everybody else in the country. It is acceptable because it is exchangeable for other goods or services. But as its value depends on its exchangeability, it loses in value when its volume is increased beyond the exchange needs of the people.

Supply and Demand

If there is more money than is needed for ordinary transactions in a country, then as with any other commodity its value is subject to the law of supply and demand and, like the value of any other commodity, will fall.

In a preceding article it was shown that under normal conditions the volume of money in circulation is regulated by the demands of business. Thus, when business is active, the average person carries more currency in his pocket. Thus to a large extent public habits and psychology control the volume of money in circulation.

But if this volume is increased artificially, without regard to the state of business or the demands of people for ready cash, we have "currency inflation." The law of supply and demand comes into play. There is more money but the volume of goods and services to be exchanged remains the same. Accordingly the value of the money falls; prices rise.

Danger Ever Present

There have been times when a certain amount of inflation may be justified if it is in the nature of pump priming to quicken the pace of trade and industry. But the danger is that such a move may get out of hand. It is especially liable to do so because, in the first stage, results of inflation usually appear beneficial.

But once inflation got out of hand the result has invariably been the same. Prices soared, to offset which more money was issued. Prices still roared and the vicious spiral was on. Debtors profit at the expense of creditors. Debts are still payable in the same amount of dollars, but the dollars are worth much less—represent a smaller share of production and effort. Especially hit are retired persons living on income or pension, bank depositors, life insurance policyholders.

Wage earners suffer because wages seldom rise as quickly as prices. Inflation does not have to be extreme to cause inequities of this kind. Even if it reduces the purchasing power of the currency unit by one third or one half, it causes extreme hardship to these groups.

Accordingly, the artificial increase in the volume of money in circulation, far from relieving people of taxation, becomes a very real tax, with the disadvantage that it does not apply equally to all the people but usually hits hardest those who can stand it least.

Further Expansion In Sterling Funds

Bank of Canada Holdings Available For Repatriation Purposes

Increase of almost $9 millions in holdings of sterling and United States exchange was the most important change in assets in the statement of the Bank of Canada for the week ended May 21. These exchange holdings have been increasing steadily for some weeks past and are believed to be mainly in sterling. They will probably be used later to repatriate Canadian securities from the United Kingdom.

Investments in both long and short term Dominion Government securities were slightly higher, while miscellaneous assets, including cheques on other banks not yet cleared, were down $6 millions.

On the liability side Dominion deposits showed the first decline in several weeks. Recent increases in this item are believed due to receipts from the sale of war savings certificates, as well as income tax payments. It is probable that receipts from the latter source are diminishing now. Note circulation showed a small increase.

	May 21 1941 $	May 14 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	375,733,879	375,273,296
Rest fund	3,722,910	3,722,910
Depos.: Dominion	73,356,068	82,165,336
Bank	215,650,690	201,384,754
Other	7,758,533	8,902,262
Total deposits	296,765,291	292,452,352
All other liabs.	5,879,748	5,259,778
Total liabs.	687,101,828	681,708,336
Assets		
In sterl. & U. S.	191,813,314	182,913,314
Subsid. coin	762,399	812,999
Investments:		
Dom. gov. short	367,825,195	366,937,919
Other Dom. gov.	120,077,639	118,638,218
Total invest.	487,902,834	485,576,137
Premises	1,737,260	1,736,341
All other assets	4,886,021	10,669,545
	687,101,828	681,708,336

Weekly Bank Clearings

	May 22 1941 $	Change Year Ago %	May 15 1941 $
Halifax	3,786,657	+30.8	3,171,029
Saint John	2,416,987	+8.1	2,327,511
Moncton	895,024	+6.2	810,029
Sherbrooke	812,894	—0.5	867,561
Quebec	4,596,513	—15.0	4,898,865
Montreal	101,533,763	—3.4	106,329,094
Ottawa	43,741,079	+90.7	93,654,621
Kingston	753,314	+5.5	685,450
Peterborough	699,178	+19.6	685,646
Toronto	139,282,170	+24.3	107,964,264
Hamilton	6,794,472	+24.9	6,522,310
Kitchener	1,249,369	+2.7	1,392,269
Brantford	996,890	+3.1	1,090,238
London	2,701,935	+2.5	2,458,129
St. Catharines	1,169,910	.....	1,248,057
Chatham	635,808	—3.1	685,157
Windsor	3,911,110	+8.7	3,865,710
Sarnia	535,863	+8.5	482,523
Sudbury	981,553	+12.0	1,169,328
Fort William	1,309,585	+70.1	992,175
Winnipeg	59,110,902	—18.2	53,622,543
Brandon	445,383	+37.8	353,810
Regina	5,860,558	+51.8	5,879,980
Moose Jaw	720,356	+8.2	639,363
Saskatoon	1,573,248	+1.8	1,442,807
Prince Albert	402,697	+10.5	421,172
Edmonton	5,369,408	+22.2	5,089,721
Lethbridge	577,021	+16.7	600,644
Medicine Hat	305,897	+39.3	267,305
N. W'minster	743,888	+15.4	829,240
Vancouver	19,987,639	+11.1	14,661,573
Victoria	1,944,999	+2.9	1,706,729
Calgary	6,795,540	+27.3	6,122,192

Staff Changes

The Royal Bank of Canada announces the following staff changes:

H. P. BALKWILL, manager, North Gower, Ont. to be manager, Manotick, Ont.

W. A. CONNERY, manager, Upper Town, Quebec, to be manager, Thetford Mines, Que.

J. W. LALIBERTE, assistant manager, Quebec City, to be manager, Drummondville, Que.

L. RABY, accountant, Sherbrooke, Que., to be manager St. Catherine & Jeanne d'Arc, Montreal.

T. C. MARSHALL, supervisor's department, Calgary, to be assistant manager, Regina, Sask.

B. U. BOUSQUET, accountant, Bonaventure, Montreal, to be accountant, Sherbrooke, Que.

J. G. A. MEUNIER, accountant, Atwater & Notre Dame, Montreal, to be accountant, Bonaventure, Montreal.

E. S. THEAKER, manager, Manotick, Ont., retires on pension.

The Canadian Bank of Commerce announces the following staff changes:

W. T. COOK, manager, Fairview, Vancouver, to be manager, Kelowna, B.C.

W. M. FRASER, manager, Kelowna, B.C., to be manager, Robson District, Vancouver.

E. G. SANFORD, manager, Robson District, Vancouver, to be manager, Victory Square, Vancouver.

Insurance Notes

Each year in June the Equitable Life of Canada conducts a production campaign in honor of the president. This year it announces the June campaign will be postponed, so that agents and managers may serve in the war loan campaign.

* * *

The American Institute of Actuaries will hold its spring meeting in Toronto, June 5-6. Discussion will be divided into three groups:

1. Underwriting, including problems that have arisen from the war.
2. Investments, including the effect the war will have on insurance company investments, present and future, and the arguments for and against investments in stocks by insurance companies.
3. Production, including the trend of sales and restrictions placed on the issue of single premium plans.

It is understood the Canadian Unemployment Insurance plan will also be among the subjects discussed.

* * *

Mortality experience of the industrial policyholders of the Metropolitan Life Insurance Co. indicates war has failed to undermine the health of the Canadian people.

Among the insured families, the death rate for 1940 was 12.1% lower than the average for the preceding five years. Declines were shown for practically every age among both men and women.

The greatest improvement was in the infectious and acute diseases, the most important declines being in influenza and pneumonia, in spite of an influenza epidemic last year. Tuberculosis is fast becoming a minor cause of death in Canada and the United States, it is claimed. Violent deaths were less numerous than in other recent years.

* * *

In a booklet describing its position in the United States, the Canada Life Assurance Co. describes its organization there as a company within a company.

Assets held there for the protection of United States policyholders, it explains, are under the control of the insurance departments of the states in which the company does business. They cannot be withdrawn without the authority of those departments.

It is also stated that as United States contracts are payable in and backed by assets payable in U. S. currency, there is no exchange problem in regard to its policies there.

* * *

A bill which has passed the second reading in the House of Commons, granting the Consolidated Fire and Casualty Insurance Co. a new charter, enables that institution to enlarge the scope of its underwriting. Limited hail, burglary and some miscellaneous branches of insurance are now added to the lines which the company can transact under its charter.

Bank Chat

Bank Clearings

Curiosity has been aroused because total bank clearings in Canada have been declining while general business has been expanding. The situation reflects the extent to which the figures in recent years have lost their significance as a business index.

Reason is that, year by year, the volume of chartered bank notes in circulation is declining. The reduction is being replaced by Bank of Canada notes which do not go through the clearing houses. Consequently the volume of notes to be cleared is becoming smaller and smaller, year by year.

According to legislation when the Bank of Canada was established, the chartered banks are required to reduce their note circulation on Jan. 1 each year, 5% from 1936 to 1940 and 10% from 1941 to 1945. After Jan. 1, 1945, the matter will come up again for consideration.

Accordingly, further declines in bank clearings can be expected as the circulation of the chartered banks does down.

* * *

Helping War Loan

In the forthcoming war loan campaign, it is understood, the chartered banks will do the mechanical work, taking in the money and giving out the bonds. The canvassers from all classes of the community will actually get the subscriptions to the bonds. They will then turn these over to the banks. Payments for the bonds will be made through the banks which will then turn the securities over to the subscribers. Where a bank depositor wants to buy his bonds through his bank, it is understood, the bank manager will take his subscription.

The banks are also making arrangements to help buyers of bonds finance their purchases, if they desire to extend the time for payment beyond the installment term which will be allowed by the Government when the bonds are offered.

* * *

Opening of one chartered bank branch and closing of three is reported in the Bank Directory for May just issued.

The branch opened was the Imperial at Montreal East.

The branches closed are the Royal at Elora, Ont., Commerce at 324 Broadview, Toronto, and Nova Scotia at Elmwood, Winnipeg.

The number of bank branches in Canada on April 30 is given as 3,304.

New Books

Middle America

CENTRAL AMERICA. Challenge and Opportunity. By Charles Morrow Wilson. Published by Oxford University Press, Toronto. Price $3.50.

Mr. Wilson takes us on a leisurely, fact-seeking tour of the countries of Central America and some of the more important Caribbean islands. He coins the phrase "Middle America" to bring these newly important nations into focus on a common screen.

Included are Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Colombia, Jamaica and Cuba.

The survey is disturbing to those who have always accepted these countries as representing a sort of sub-tropical, sub-civilization. For Mr. Wilson reveals "Middle America" as a vast, populous area of people who have ambition and character, and enjoy natural wealth sufficient to give their lands great promise. The challenge to North America is obvious; the commercial opportunity very great.

Priestley Broadcasts

POSTSCRIPTS. By J. B. Priestley. Published by the Macmillan Co. of Canada, Toronto. Price 85 cents.

Mr. Priestley's broadcasts from June 5 through to October 13 of last year are here in a compact book. It is amazing how timely they are, so many months after. Listeners will recall how deeply they probed into the English character.

The little volume is itself a war memento. As in most English books today the paper is rough and mostly woodpulp. The end sheets are less than butchers' wrapping paper. But what is written on this cheap paper is priceless.

Economic Survey

A REPORT ON THE ECONOMIC SITUATION AT THE CLOSE OF 1940. By P. C. Armstrong. Published by the Review Company, Fort Erie North, Ont. Price $1.

The most unhappy feature of this book is the long and frightening title. The text is much more readable and, throughout, thoroughly stimulating. Mr. Armstrong is a veteran commentator on the Canadian business scene, sometimes in the role of economic student, other times in the role of semi-editorial critic. Herein he combines both roles and his volume ranges from the abstract ("laissez faire" the limitations of economic wisdom) to the news of the day (the wheat problem, taxation of public utilities, our war effort).

A believer in individualism and private effort, he is most effective when he discusses the reasons why some of our Canadian ventures into "economic planning" have fallen short of their sponsors' promises.

Fire and Casualty Insurance

Guesswork Eliminated From Credit Accounts

Credit Insurance Gives Protection Against Abnormal Bad Debt Losses — Often Needed Most in Time of Active Business

Most merchants and manufacturers when asked how they are finding business today reply without hesitation "Good."

This situation is undoubtedly satisfactory. But it has its dangers. One is that while money is plentiful and sales are easy there is a greater possibility of credit losses.

In modern times, the greater proportion of business is done on a credit basis. Accordingly as the total volume of business expands, the dollar volume of credit which a merchant or manufacturer may give is likely to be larger. He may also become a little easier as regards those to whom he sells for future payment.

Credit sales may vary in amount from many thousands of dollars worth of goods sold to a well established concern by a wholesaler or manufacturer to the $10 account of the worker at the corner grocery store.

Millions of Dollars

In the aggregate, across the country, the total amount of merchandise sold on credit runs into many millions of dollars. But there are always some bad debts.

Protection against abnormal credit losses is provided by credit insurance. This coverage does not protect against all credit losses, only against those in excess of the normal. The normal loss for any business is computed from the general experience of a group. Thus the normal bad debt loss of the flour milling industry might be a percentage of the total turnover entirely different from the boot and shoe industry. Then the experience of one individual in a certain group might also vary depending on the locality in which he was doing business.

Some merchants set up reserves against bad debts. But if these reserves are kept liquid for use at any time there may be some loss of revenue result. Credit insurance, however, eliminates all guesswork, within stated limits, as set out in the contract.

Life Insurance

Life Companies Help Saving

Have Tremendous Stake in Maintaining Sound War Finance

The life insurance business has a tremendous stake in sound war finance, in assisting to curtail consumption, maintain stable prices and avoid inflation, J. T. Bryden, assistant treasurer of the North American Life Assurance Co. told the Life Insurance Advertisers Section of the Canadian Life Insurance Officers Association in Toronto this week.

The reduced income available for ordinary expenditures in many personal budgets, due to higher taxation and government borrowing, he stated, would make it more difficult to afford new insurance and to carry existing insurance. "This," he said, "is a challenge to us all, to our salesmanship and to our faith in the life insurance business."

New Sales Field

Diversion of the largest part of the increase in national income to the industrial worker he saw opening a field for intensive development in life insurance sales. Although the recipients of this income have much rehabilitation to accomplish . . ." he said, "there is still a surplus and from the national point of view it is essential that as much as possible of these increased incomes be deliquified, either through purchase of war loans, war savings certificates or life insurance. This is the source from which the greatest demand will come for civilian goods of all kinds and which carries the greatest threat of increasing prices. Any instrument that will demobilize a portion of these increased incomes assists in implementing government policy. Life insurance can help to do this and from this source should come the greatest volume of new business—industrial group and ordinary, although average policies may be lower and first year premiums smaller."

Maintenance of existing insurance Mr. Briden described as important from the point of insurance insurability and also as regards curtailing consumption. While insurance once dropped may not be available again, cash surrender values taken mean a proportionately smaller amount available to the Government in war loan subscriptions from the life companies, he declared.

Auto Accident Waste Costs $70 Millions

If Canada would stop automobile accidents for one year she would be able to provide 3,500 Spitfires out of the saving, says the Canadian Motorist's Handbook for 1941-42 just issued. Every year the Canadian public wastes $70 millions in automobile accidents, the Handbook says, and this sum, it figures, would provide 3,500 Spitfires.

It gives much information, in short form, regarding safe driving and legal liability for damage. It stresses the responsibility of an employer for damage done by his employee driving a car on the employer's business and describes the different types of insurance protection available. A summary of the traffic regulations of the different provinces and first aid data are other features. Information previously published is revised and brought up to date.

The book is published by Lillian D. Millar, Toronto, price 25 cents.

Mutual Life Has New Victory Plan Policy

A special life insurance plan has been designed by the Mutual Life Assurance Co. of Canada to assist investors in war savings certificates to obtain life insurance protection at the same time. Under this "Victory Plan" policies are available at premium rates set specially low in the early years. This period, it is understood, varies within certain limits according to the needs of the policyholder. At the end of the period the premium is then advanced to a higher level, which, however still gives insurance at a low net cost. It can be arranged that the higher premium level will become effective about the time the war savings certificates mature, when they can be used to pay the premiums.

The "Victory Plan" is available for both men and women.

The
WAWANESA
Mutual Insurance Company
Organized in 1896

Assets	$2,894,436.70
Surplus	1,513,855.65
Dominion Gov't Deposit	1,041,353.86

Write for Financial Statement
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
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FIDELITY
Insurance Company
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Banking Service
1817 - 1941
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £143 millions.
Over 870 branches in Australia, New Zealand & Pacific Islands.
London Offices at
29 Threadneedle St., E.C.2.
and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

Northern Life
Assurance Company of Canada
Established 1897
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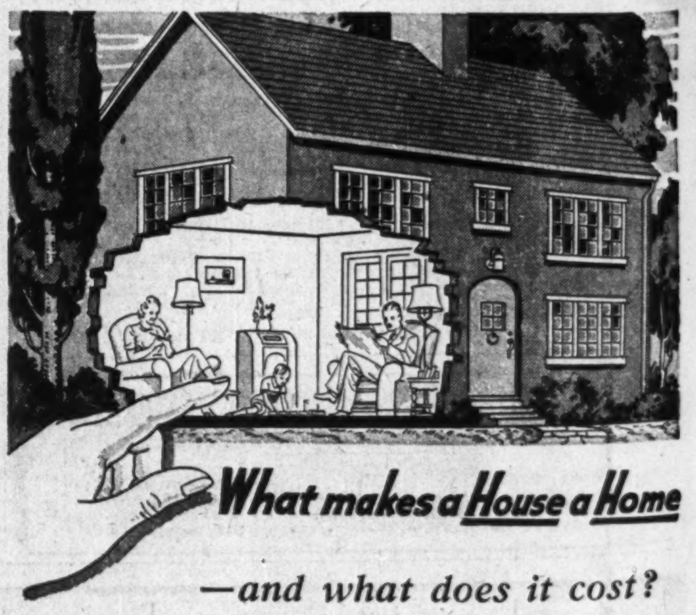
THE BRITISH AMERICA ASSURANCE COMPANY
TORONTO · CANADA
INCORPORATED 1833
FIRE
CASUALTY
AUTOMOBILE
MARINE
AVIATION


What makes a House a Home

—and what does it cost?

It's living, and all the things that go with it . . . furniture, pictures, books, prized personal possessions . . . that make a house a home. Yet many homeowners, while adequately insuring the house, seriously *underinsure* the contents. When fire comes, it is often the contents that bear the brunt of the damage.

So don't take chances. Consult your British Northwestern agent — he will show you how *economically* you can be *fully* protected. Your inquiry is invited.

British Northwestern
FIRE INSURANCE COMPANY
HEAD OFFICE FOR CANADA: 217 BAY STREET, TORONTO
J. H. Riddel, *Managing Director* V. G. Creber, *Asst. Manager*
A. C. Ruby, *Br. Mgr.*, WINNIPEG M. Nevill, *Br. Mgr.*, VANCOUVER

THE FINANCIAL POST
Largest Circulation of All Canadian Financial Papers
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Where Your Victory Loan Dollars Go

This Year, Canada to Spend 8 Times Total 1918 Bill

Money in this war is as vital as bullets.

We must have it to buy planes, ships, bombs, tanks, guns, uniforms and food.

Already this war has cost Canada and cost Great Britain more than the total bill for the first Great War. Cost of the previous conflict to Canada for the years 1915 to 1919, inclusive, was $1,324 millions. In this war, to the end of the last fiscal year we have spent a billion dollars and are only now approaching peak production.

The reason is mechanization.

An armored division alone costs $150 millions to equip and literally millions of dollars a day to fight. A corvette costs $600,000 and we are building over a hundred of them. The smallest army truck costs around $1,500 and Canadian factories have already turned out 100,000.

This year Canada plans to spend $2.5 billions on war. This is two and a half times the actual amount expended last year, eight times the cost of 1918. Almost half the amount needed will be for financing Britain's war requirements in Canada, the remainder to raise and equip our own forces.

This is the amount of money we need to train, clothe and feed our army, navy and air force. This is what we need to provide them with equipment. This is what we need to keep a vital flow of similar equipment going to Britain.

There are just two safe ways Canada can raise this money, taxation and borrowing out of the savings of the people. By the first, after the sharp jumps in the recent budget, Finance Minister Ilsley hopes to raise $1.4 billions. For the other billion necessary he must depend on war savings certificates and Victory Loans.

This is a lot of money but in the first Great War we raised over $2.3 billions in such loans. Almost $2 billions of this was subscribed in the last three years alone or at the rate of over $650 millions a year.

Since that period Canada has grown, grown in population, in developed resources, in industrial strength. Our prosperity prior to 1914 was based on a single export commodity, wheat, now we are among the world's foremost producers of base metals, gold, newsprint, motor vehicles, machine guns as well as agricultural produce.

Since the beginning of the first Great War, our population has increased by 45%, our industrial capacity 300%, our base metal output is up ten times, our bank deposits have more than doubled, our power capacity gained four fold.

In the last year of the first Great War period we were asked for a Victory Loan of $300 millions and actually in 10 days raised more than twice as much. With our limited capacity of 25 years ago we took this job in our stride.

Canada's Wartime Balance Sheet

For year ending March 31, 1942

Proposed Expenditures

For the Army $667,000,000

Number of men for active service
In Great Britain 70,000
Training in Canada 120,000
Recruiting now 32,000
Reserve army
Trained and stationed in Canada 175,000
Mobilization and training centres, number 60
At war's outbreak, men 4,500
In United Kingdom now two regular divisions and pledged to go this year a third division, special armored division and one tank brigade.

Air Force $386,000,000

On active service 15,000
Training for active service 35,000
Schools and training depots... 81
To open this year 25
— 106
At war's outbreak number of men 4,000

The Navy $170,000,000

NUMBER OF SHIPS
On service 195
Completed since war and building—
Corvettes 110
Mine sweepers 60
Merchant ships 100
NUMBER OF MEN
On service 17,000
Recruiting to 25,000
War's outbreak 2,000

Aid to Britain $900,000,000

Canada is this year providing Britain with foods, arms, munitions, metals, etc., to value of $1,500 millions. Of which Canada expects to finance from her own treasury $900 to $1,150 millions.

For New War Plants Etc. $227,000,000

For Non-War Administration $468,000,000

TOTAL $2,668—$2,818,000,000

Expected Revenues

(Chief Items)

Personal Income Tax	$ 225,000,000
Sales Tax	203,500,000
Excess Profits Tax	180,000,000
Corporation Tax	165,000,000
Customs Duties	137,000,000
National Defense Tax	110,000,000
Excise Duties	98,000,000
War Exchange Tax	81,000,000
Excise Taxes	72,105,000
Interest, dividends payable abroad (original estimate)	27,500,000
Gasoline Tax	23,000,000
Auto and Bus Tax	2,700,000
Succession Duties	10,000,000
Motion Picture Tax	7,300,000
Other Amusements	....
Travel Ticket Tax	6,000,000
Miscellaneous	2,000,000
Race Tracks	1,000,000
Less: Payments to Provinces	48,000,000
Add: Non-tax Revenue	81,000,000

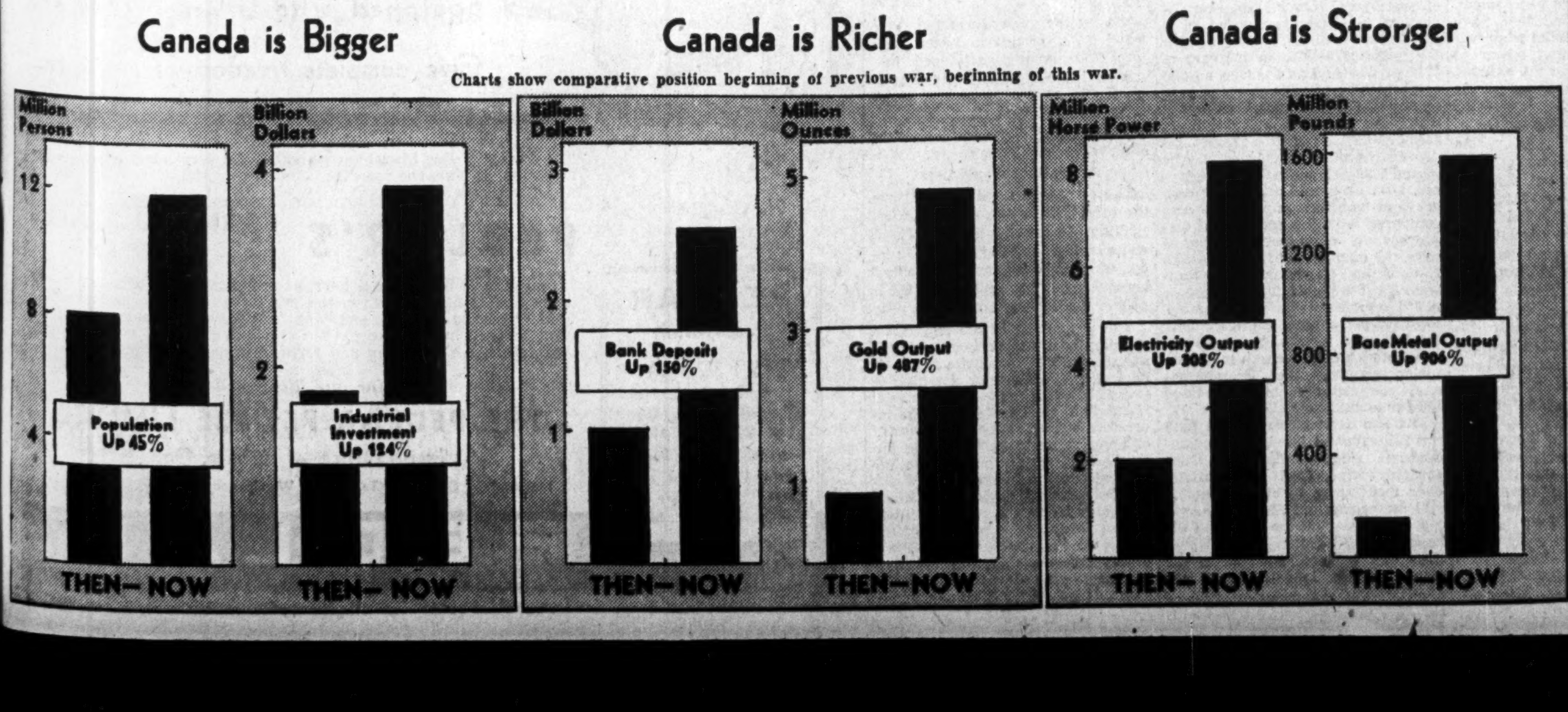
Total Ordinary Revenue $1,400,000,000

War Savings Certificates Etc. $200,000,000

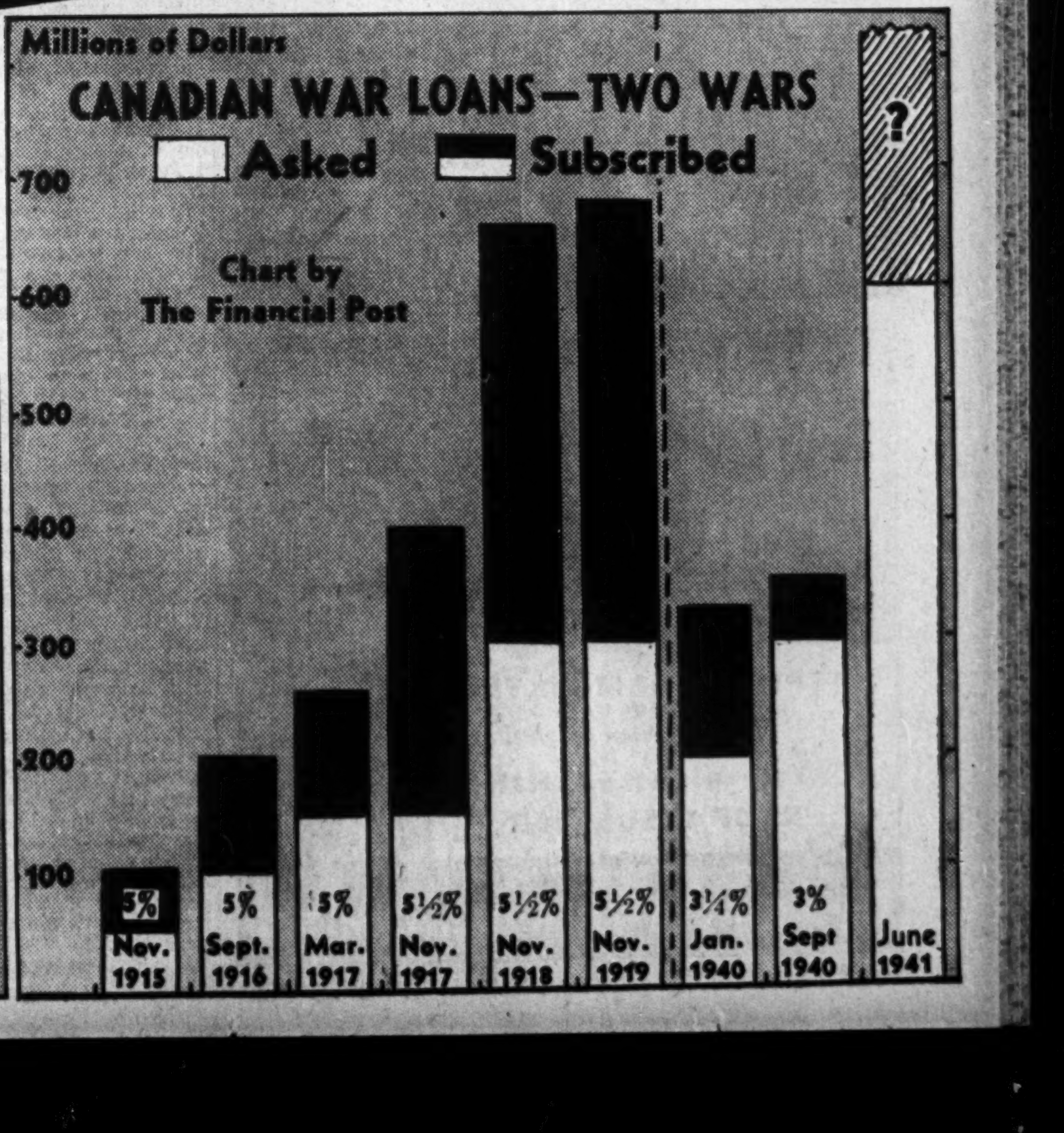
To be Raised by Victory Loans and Other Borrowing $1,068—1,218,000,000

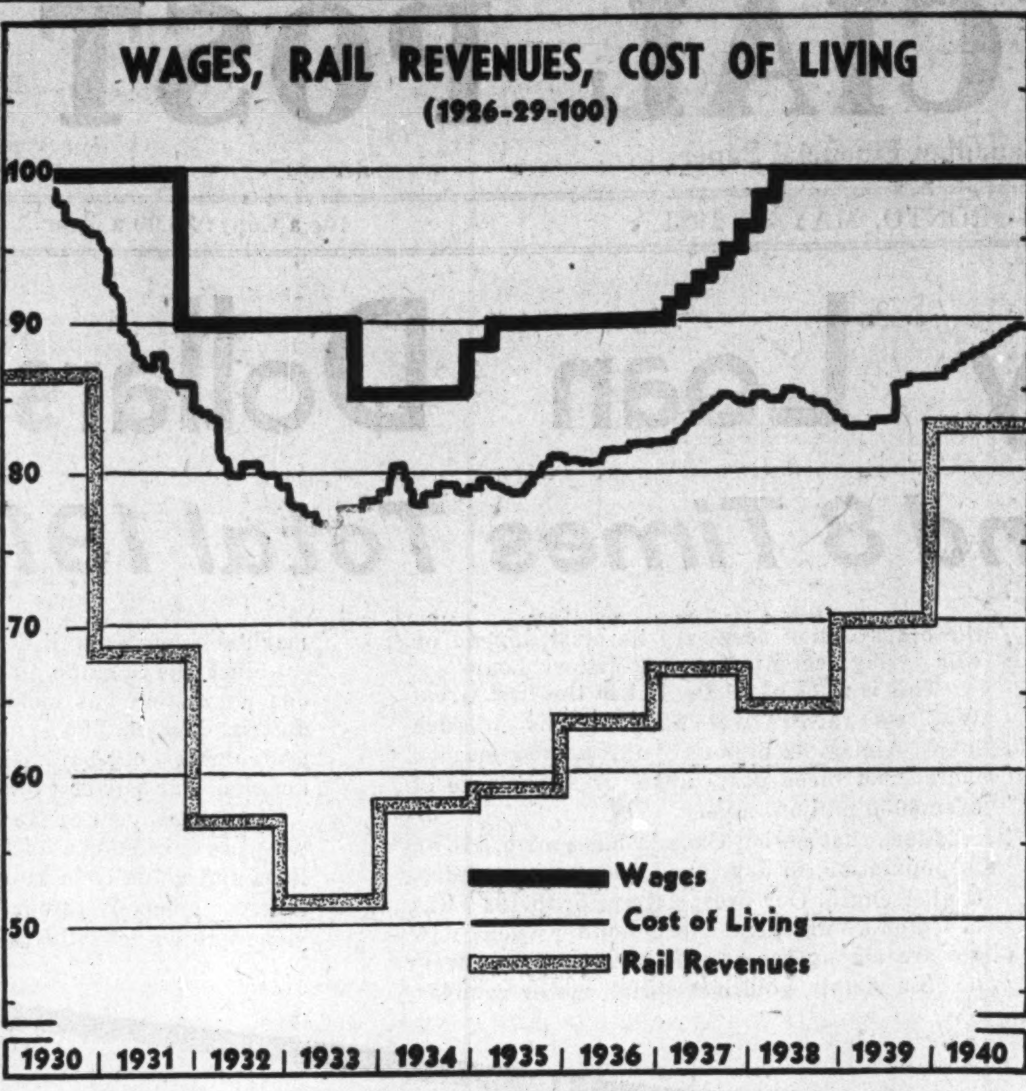
TOTAL $2,668—$2,818,000,000

The lower figure, $2,668 millions, allows $1,300 millions only for direct war costs. The latter is the amount voted by Parliament, although the appropriations of the individual departments totalled $1,450 millions.



Charts show comparative position beginning of previous war, beginning of this war.





A "cost of living bonus" of 7% from Jan. 1, 1941, is being asked by the general conference committee representing 18 standard railway labor organizations in Canada. A conciliation board is now sitting on this request.

The Rail Wage Embroglio

The Two Sides to the Big Argument

Before a conciliation board in Montreal, railway employees have asked for a 7% "cost of living bonus" under Order in Council P. C. 7440. This request is opposed by both the Canadian Pacific and the Canadian National Railways

The employees argue that

1. The cost of living has advanced over 7% since the beginning of the war and therefore, under the Order in Council,

2. They are automatically entitled to the increase.

The railway employers reply that

1. In real purchasing power railway wages today are at least 12% higher than when the rates were agreed upon (1926-29);

2. That rail wages are still far higher than those received by other workers.

3. That as income of railways is still below the base period of 1926-29, the increase asked, approximately $9 millions annually, would largely come out of the Dominion Treasury.

Arguing for the railway employees J. B. Ward stated that the cost of living bonus was only accepted on the understanding that the railways would also accept, intimating that otherwise other steps would be taken. He stated:

If our employers can be persuaded to accept the cost of living bonus plan as contained in P.C. 7440, then we are agreeable to accepting it, notwithstanding its deficiencies and objectionable features. If the employers are not willing to meet this obvious desire of the Government, then we are left no other recourse except to proceed as though the Order-in-Council did not exist.

Cost of Living Down

The employees' brief argued that any lowering of the cost of living following the fixing of basic railway wages during the period 1926-29 had nothing to do with the case. The gain for labor in this respect, 12.6%, it was intimated, had already been recognized by the government and should be considered part of the basic wage. Stated Mr. Ward:

The Order-in-Council took specific note of the fact that in Sept., 1940, the cost of living was 12.6% below 1929, but notwithstanding the fact that this small increase in the purchasing power of wages had occurred during the 11 year period 1929 to 1940, the Order very clearly and very specifically encourages the preservation of this modest improvement in living standards.

Therefore, any argument or contention based on the cost of living over any period of time prior to the outbreak of the war, will very obviously be nothing more than a belated rehashing of what the Order-in-Council clearly recognized and just as clearly repudiated.

Railways Argument

The railways in their argument took sharp objection to this contention. They claimed that the real point at issue was whether the actual cost of living was higher than during the period when the existing basic wage rates were established (1926-29). Otherwise, the railways contend, there would be no object in having boards of conciliation. Said the joint brief of the two railways:

To assume that a cost-of-living bonus is to become payable whenever the cost of living has risen 5% above the cost in Aug., 1939, irrespective of the effect of this rise upon the basic standard of living (as is implicit in the form in which the employees have stated the grounds of the dispute) is to render meaningless a large part of the Order-in-Council (P.C. 7440).

Such an assumption, having regard to the fact that changes in the cost of living are to be measured by the Index prepared by the Dominion Bureau of Statistics, would leave no room for dispute and would make the appointment of a Board, its consideration and recommendation in the circumstances of this case, a purely illusory proceeding.

Why Conciliation Boards

In the railway's opinion the only reasonable interpretation to be placed upon P.C. 7440, giving effect to all its terms, is that a bonus may properly be paid only if the basic standard of living, i.e. the standard of living reflected by the basic wage rates (1926-29) is or may be impaired by a rise of at least 5% in the cost of living, above the cost prevailing when the basic rates were established.

The real question at issue, therefore, is whether or not there has been any impairment of this "basic standard of living" for the employees here represented. If not, it is evident that this is not a case in which a cost-of-living bonus "may properly be paid." The Railways submit that not only has there been no such impairment, but that changed conditions have brought about a material improvement in the purchasing power of employees' wages since the existing wage rates were established in the basic period (1926-29).

Real Wages Up

During the basic wage period (1926-29) the cost of living index averaged 121, pointed out the railway brief, and it is now 108.2, a reduction of 12.8 points. This compares with the average annual railway wages of $1,513 during the basic period with $1,549 in 1939. Both cost of living and wages figures were compiled by the same source, the Dominion Bureau of Statistics. No wage figures have yet been published for 1940 but the railway brief estimated that they had increased to at least $1,569. This trend, said the railways:

Provides a purchasing power for the average annual compensation in the year 1940 of 16.0% over the purchasing power of the average annual compensation of $1,513 in the basic period—this after allowing for the increase in the cost of living index since Aug., 1939.

It is manifest from these comparisons that there has been no impairment of the "basic standard of living" of railway employees since the years 1926-1929, but that on the contrary the monetary position of the employees now, both in regard to their actual compensation and also in regard to its purchasing power, is distinctly improved.

With the further improvement in traffic, and the resulting increase in employment, in the early months of 1941 as compared with the corresponding months of 1940, it is apparent that barring unforeseen and unlikely contingencies the average annual compensation of railway employees in 1941 will show an advance over the average of 1940.

Cost $12 Millions a Year

The 7% increase in wages asked by the employees has been estimated by a labor journal at almost $12 millions annually for the two main railways.

If this increase is granted, stated the railway brief, most of the new bill will have to come out of Canadian tax payers because the railroads today are actually earning less than during the basic wage period of 1926-29.

Railway Income Still Down

The improvement in the employees' position in the years intervening between the basic period and 1940 is emphasized by a comparison of the financial results accruing to the employees, and those of the Railways themselves.

The annual operating revenues of the Canadian National (lines in Canada) and the Canadian Pacific Railways in the basic period averaged $463,790,333. In 1940 these operating revenues amounted to $383,836,186—a decrease of $79,954,147 (17.2%).

Would Come Out of People

Of the estimated increased wage costs of $11,950,000 under discussion, the whole share of the Canadian National and a proportion of the share of the Canadian Pacific, representing the amount by which its taxes under the Excess Profits Tax would be reduced, would be thrust upon the Government, representing a total direct and indirect liability of approximately $8,275,000 per annum.

If the employees' claim were admitted, every subsequent increase of 5% in the cost of living index would represent an increase in the operating costs of the Canadian National and Canadian Pacific Railways of approximately $8,535,000 per annum, of which directly or indirectly approximately $5,910,000 per annum would be borne by the Government, and ultimately, therefore, by the community at large.

Rail Labor Best Off,

Finally, the railways contended rail labor enjoys a most favored position among Canadian industrial labor and an especially favorable position as compared with agriculture. The rail brief argued:

The average annual compensation of employees in manufacturing industries in Canada advanced from $821 in 1917 to $1,137, the average for the years 1926-1929, an increase of $316 or 38.5%. The average annual compensation of railway employees during the same period advanced from $887 to $1,513, an increase of $626 or 70.6%. From this greatly improved condition established in the period 1926-1929 for railway employees, both compared with their own previous annual compensation and compared with the earnings of employees in manufacturing industries, the employees of the Canadian National and Canadian Pacific Railways for 1940 show a further increase of $56 in their average compensation, to $1,569 per annum, while for 1939, the last year for which figures are available for employees in manufacturing industries, their average annual compensation had decreased $16 per annum, to $1,121.

The annual compensation in both the railway and manufacturing industries undoubtedly has subsequently increased substantially over the figures mentioned and is still increasing, but there is no reason to believe that the excess in the compensation of railway employees over that of those engaged in the manufacturing industries has changed materially one way or the other from the figures stated.

Agriculture Would Lose

The comparison with agriculture, the brief points out, is even more striking. In contrast with the rising wage scale of railway labor, the index of the price of farm products, it is pointed out, has fallen from 100 in 1926 to 68.3 in February of this year.

The proportion of the population represented by these two classes in manufacturing industries and in agriculture, with their families, is probably well over 50% of the total population of the country. An increased burden upon the country of approximately $9,000,000 per annum which would result were the present demand of the railway employees granted could not fail to have an adverse effect on the interests of this large proportion of the population already so much less favorably situated than are the railway employees themselves.

Pulp and Paper Industry

Newsprint Output Gains 4% Shipments Advance 7%

From Our Own Correspondent

MONTREAL. — Canadian newsprint production in April this year totalled 279,996 tons, a gain of 4.1% from the corresponding month a year ago, according to Newsprint Association of Canada. April output was the highest since last November.

Shipments by Canadian mills gained 7% in April over the same month a year ago. Shipments to Canadian consumers gained 7.4% and to the United States, 15.2%. Overseas shipments from Canada were down 22.8%.

Measured by capacity of Canadian newsprint mills, April shipments amounted to 78.2% compared with 72.8% in March and 72.9% in April last year. Production represented 76.7% of capacity against 75.5% in March and 73.4% in April a year ago.

Stocks Reduced

Shipments exceeded production by 5,793 tons and stocks held by Canadian manufacturers were reduced accordingly. Stocks of all North American manufacturers were reduced by 12,173 tons during April and amounted to 267,266 tons at the end of the month. During 1940 and 1939 there were increases of 2,740 and 13,400 tons respectively.

Imports of newsprint paper into the United States from Europe during March amounted to 785 tons compared with 1,854 tons in March, 1940, and 35,023 tons in the 1939 month.

NEWSPRINT SUMMARY

	Production			Shipments		
	Canada	U.S.	Newfoundland	Canada	U.S.	Newfoundland
	tons			tons		
April, 1941	279,996	87,000	26,605	285,789	91,487	28,498
4 mos., 1941	1,062,670	343,220	115,917	1,034,652	342,372	103,177
4 mos., 1940	1,003,081	337,001	108,739	958,033	333,273	104,165

Shipments

	From Canadian Mills			From Newfoundland Mills	
	To Canada	To U.S.	To Overseas	To U.S.	To Overseas
	tons			tons	
April, 1941	16,957	226,830	42,002	14,772	13,687
4 mos., 1941	61,980	817,319	155,353	64,643	38,332
4 mos., 1940	59,975	738,136	159,922	39,371	64,555

St. Croix Paper Extends Price

From Our Own Correspondent

MONTREAL.—First to announce newsprint prices for the third and fourth quarters of 1941 is the St. Croix Paper Co. in the United States. This concern has advised its customers, according to the American Newspaper Publishers Association, that its price for the last six months of 1941 will be the same as for the first six months, or $49 a ton based on delivery in New York City.

It is understood price announcement from Canadian newsprint producers can be expected soon. One major problem in setting prices has been simplified with the recent ruling on excess profits taxes from Ottawa.

Abitibi Earnings Rise In April

Earns $632,527 More in First Four Months, Up 36%

Earnings of Abitibi Power & Paper Co. for April, prior to audit, charges for depreciation, bond interest of $291,613 (includes interest on overdue and unpaid interest) and income and excess profits taxes, were $695,728 as compared with $525,116 in April, 1940, and $687,529 in March, 1941.

Included in the above earnings for April, 1941, is $144,308 received as premium upon U. S. Exchange. Bond interest of $291,613 is exclusive of the premium which would have been provided to permit payment in U. S. funds.

Shipments of newsprint in April, 1941, amounted to 34,476 tons, as compared with 30,798 tons in April, 1940, and 38,196 tons in March, 1941. Present indications are that shipments of newsprint will be about 34,000 tons in May, 1941, as compared with 48,597 tons in May, 1940.

Shipments of sulphite pulps amounted to 7,043 tons in April, 1941, as compared with 5,672 tons in April, 1940, and 6,537 tons in March, 1941. Present indications are that shipments of sulphite pulps will amount to about 7,000 tons in May, 1941, as compared with 6,611 tons in May, 1940.

Comparative earnings figures for recent months have been as follows:

	1941	1940	Increase	Incr.
	$	$	$	%
January	*476,993	447,776	29,217	6.52
February	*517,915	389,594	128,321	32.94
March	*687,529	383,152	304,377	79.44
April	*695,728	525,116	170,612	32.49
	2,378,165	1,745,638	632,527	36.23

*Before depreciation of $148,750 and bond interest, including interest on overdue interest, of $291,613. Included in Dec., 1940, and Jan., Feb., Mar. and Apr., 1941, earnings are $156,046, $137,784, $120,541, $123,396 and $144,308, respectively, received as premium on U. S. exchange. Bond interest is exclusive of the premum required to permit payment in U. S. funds.

Tobacco 'Combine' Trial Drags On

From Our Own Correspondent

EDMONTON.—Evidence against 36 Canadian tobacco manufacturers, wholesalers and jobbers in new "combine" trials is piling up in Alberta Supreme Court. Mr. Justice Shepherd and a six-man jury are hearing the cases.

Four weeks of hearings are completed with the end still believed several weeks away. The Crown is endeavoring to prove the defendants participated in an extensive arrangement to control prices and the tobacco industry 1934-1940.

So far the evidence is made up of letters, circulars, wires and other documents exchanged between tobacco jobbers and others in the trade during several years.

Latin America Takes Paper

From Our Own Correspondent

MONTREAL. — In 1940, first full year since the war started, value of exports of newsprint from Canada to Latin American countries jumped to $9.2 millions, a figure far in excess of the previous peak of just under $5 millions in 1930. This tremendous increase has been mostly due to the effect of the war on the export trade of Scandinavia and other European newsprint producers.

Argentina was the best Canadian market for newsprint in 1940 by a substantial margin. Exports to that country amounted to $3.8 millions, compared with $1.6 million to Brazil and $1.4 million to Mexico. These three countries represented about 75% of the total value of newsprint exports going to 19 South and Central American countries.

Newsprint Largest Item

Newsprint was by far the largest single item in Canada's export trade to Latin America last year, comprising approximately one third of the total exports of $26.9 millions. Although this proportion was larger than normal, it was not greatly in excess of that filled by newsprint in 1937.

The following table, taken from the figures published by the Dept. of Trade and Commerce at Ottawa, shows the place which newsprint has played in Canada's export trade to Latin America in past years.

Exports to Latin America

	Newsprint	Total Exports
	$000	$000
1940	9,162	26,869
1938	2,427	17,739
1937	5,626	24,451
1932	2,256	9,405
1929	3,379	43,677

Goodyear to Redeem Preferred at $52.50

As a result of the growth of the preferred stock redemption fund to an amount estimated in excess of $250,000 by June 30, 1941, Goodyear Tire & Rubber Co. of Canada has offered to purchase preferred shares from present holders at the redemption price of $52.50. Should there be an insufficient number of shares offered, the company will proceed to redeem shares by lot.

In the event that more tenders of stock are received than there is money available to redeem, the company reserves the right to redeem the required amount pro rata from the tenders received.

Advertising Up 3.2% Over '40

From Our Own Correspondent

MONTREAL. — Newspaper advertising in 52 cities of the United States in April reached 119.2 million lines, higher levels than shown for this month since 1937. This compares with 114.4 million lines in March of this year and 112 million lines in April, 1940.

For the first four months of 1941, aggregate newspaper advertising in the United States totalled 420.7 million lines, an increase of 3.2% over 1940. This increase in newspaper advertising compares with one of 0.9% in magazine advertising and one of 8.1% in radio network billings.

Newsprint Shipping Rates Up 10%

From Our Own Correspondent

MONTREAL. — Editor and Publisher for May 17, 1941, states that effective June 1, four Atlantic coastwise and intercoastal services will raise rates 10% for the movement of newsprint which originates in the United States and Canada. A report from Maritime officials that within four or five weeks both coastwise and intercoastal services will be curtailed 40% would mean, according to A. P. N. A., that newsprint moving via water routes will have to seek rail routes on which rates are generally higher than the water services.

SPUN ROCK WOOL HEAT COLD SOUND INSULATION

For ALL Insulation Specifications

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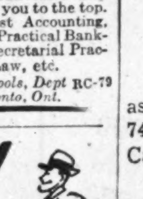

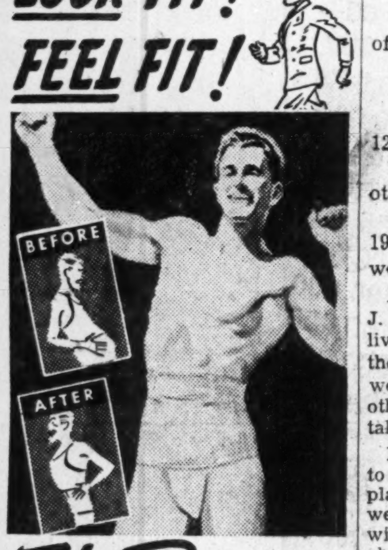

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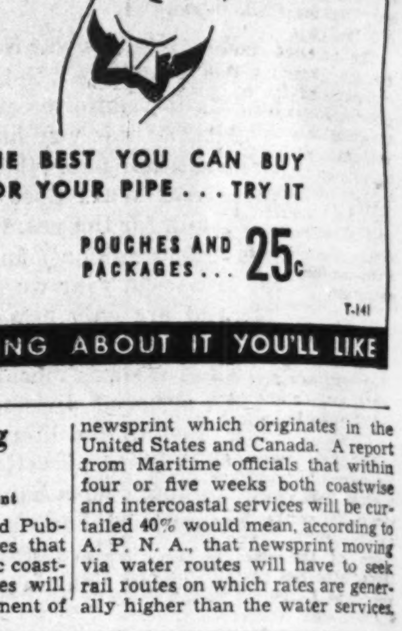

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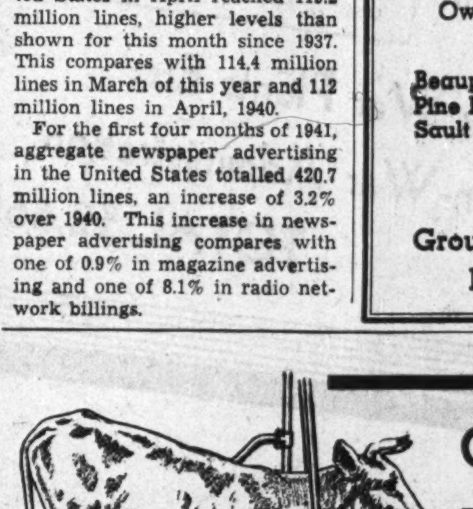

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Bell Telephone

Is there any explanation for the recent drop in price of Bell Telephone stocks?

Market price of Bell Telephone stock has recently been adversely affected by the news of the increased taxation in the recent Dominion budget. Some of the drop in prices has apparently been too extreme and there has been a tendency for the stock to rally in the last few days.

The increased taxes brought down by the Dominion budget may be compensated for by withdrawal of provincial taxation, but the extent to which this will take place is not yet clear. Business of the company has shown improvement in the first quarter of 1941 over the corresponding 1940 quarter, but it is as yet impossible to state whether the net outcome of heavier taxation will be compensated for by increased earnings.

Gurney Foundry

I would appreciate any information you can give me on the current position and earnings outlook of Gurney Foundry Co.

Although earnings of Gurney Foundry Co. improved substantially during 1940 sharp increases in reserves for depreciation, income and excess profits taxes did not allow much of the gain to be carried through to net profits. Net for the year was $2,184, as compared with $1,678 in 1939. Preferred dividend requirements are $13,455.

The 1940 improvement came as a result of increasing sales of the company's regular products. Every kind of equipment for heating and cooking is manufactured and the company has obtained its share of equipment supplied to military camps and training centres.

To date in 1941 operations have been higher than in the corresponding period of 1940. Prospects are that the present high rate of activity will continue for the next few months. Company officials are unwilling to predict further ahead than this owing to the possibility of conditions in the industry being changed by Government orders.

Canada Cement

What is the record of bond interest coverage by Canada Cement Co. in recent years?

The 4½% bonds of Canada Cement Co., due Nov. 1, 1951, have shown ample interest coverage in the last several years. Fixed charges were covered, after depreciation, 5.86 times in the year ended Nov. 30, 1940, 3.56 times in 1939, 2.85 times in 1938. In 1935 when the company's earnings were affected by the depression, fixed charges were covered 1.08 times. Substantial improvements in operating earnings occurred in 1940 and although income taxes are heavy, bond interest has been covered by a wider margin than in many years. At the annual meeting, the president stated business has held since the beginning of the fiscal year. Prospects for the balance in 1941 were stated to be promising and barring unforeseen events, volume should closely approach that of the 1940 fiscal year.

Muirheads

Have you any recent information on Muirheads Cafeterias Ltd.? I have not received a financial statement from the company for some time.

According to officials of Muirhead's Cafeterias Ltd., the annual report covering the 12 months ended Feb. 28, 1941 will be available shortly, probably about the end of May. They state the position was slightly improved during the year. Rents were adjusted and some contingent liabilities connected with leases have been disposed of. The months of March and April are reported to have shown an improvement over the corresponding months of last year.

When the new report appears, it will cover years ended Feb. 29, 1940 and Feb. 28, 1941. The last previous report is for the year ended Feb. 28, 1939 and was issued as of Dec. 21, 1939.

Municipal Finances

Winnipeg, Man.—Winnipeg City Hydro reports net profit of $487,576 for 1940 against $312,665 for 1939. Increase of $175,000 in net is stated to be partly to profit on exchange, partly to increased profits on electricity sales. From earnings, City Hydro paid the city $377,000 in 1940, bringing total payments for the last three years to $839,000. Funded debt was reduced $1.8 million to $24.5 millions. Redemption was effected at a substantial saving.

* * *

Port Arthur, Ont.—Tax rate of the city of Port Arthur for 1941 will be 35 mills, down two mills. The reduction, which has been made possible by last year's surplus and cutting operating expenses by over $200,000, was previously reported to leave the rate at 45 mills.

* * *

St. Boniface, Man.—As a result of the debt settlement proceedings in 1940 and the operations of sinking fund, debt of St. Boniface at the end of 1940 was over $74,000 lower than at the beginning of the year. Debentures to par value of $68,000 were purchased for cancellation at a cost of $24,950. Other payments of $6,370 brought the city's debt down to $3,934,163 at the end of the year.

* * *

Medicine Hat, Alta.—All sinking fund installments due in 1940 were paid into the Medicine Hat sinking fund, with the result that the balance due the fund from general funds was $4,546 lower, at $1,033,194 at the end of 1940. Investments held by the sinking fund were 39.61% of the total fund at the end of 1940 as against 35.76% a year earlier. The city's utilities had profits of $191,154 in the year.

* * *

Timmins, Ont.—Town of Timmins had a surplus of $15,466, appropriated for the waterworks department reserve and the reserve against uncollectible taxes. Total revenues of the town are drawn 73% from general property taxes, local improvement and business taxes; 10.93% from tax on mine profits; 9.57% from miscellaneous sources, and the balance largely from government relief grants and the municipal subsidy. Total revenues for 1940 were $910,190, including the surplus from the waterworks.

* * *

London, Ont.—Population of London, as shown in the annual statement, fell from 76,424 in 1937 to 76,009 in 1939, then rose to 77,369 in 1940. Mill rates have also shown a fluctuating trend, standing at 38.46 mills in 1937, 39.9 mills in 1938, 38.4 in 1939 and back to 38.65 in 1940. Assessments have risen steadily from $81.9 millions in 1937 to $83.1 millions in 1940.

Public Utility Earnings

Southern Canada Power
Monthly Earnings for April

	1941 $	1940 $
Gross earnings	252,429	225,191
Less: Oper. expenses	63,413	63,102
Taxes	67,060	47,013
Net earnings	121,956	115,076
Less: Int., deprec. & divds.	113,363	112,441
Surplus for month	8,593	2,635

Seven Months Ended April

	1941 $	1940 $
Gross earnings	1,711,372	1,546,141
Less: Oper. expenses	479,264	489,530
Taxes	424,396	254,064
Net earnings	807,712	802,557
Less: Int., deprec., divids.	788,101	781,932
Surplus for period	19,611	20,625

Jamaica Public Service Ltd. and Subsidiaries

Month of March	1941 $	1940 $	Change %
Oper. revenues	94,981	86,177	+10.22
Gr. income after retire. reserve	27,447	31,152	—11.89
Net income	19,663	22,162	—11.28
Three Months Ended March 31	1941 $	1940 $	
Oper. revenues	284,679	256,597	+10.99
Gr. income after retirement	84,700	72,506	+16.82
Net income	55,862	45,670	+22.32

British Columbia Power

April	1941 $	1940 $
Gross earnings	1,469,197	1,338,368
Less: Oper. exps.	1,111,536	978,281
Int. & pf. divds.	186,666	187,666
Bal. for "A" stock	170,995	172,421
Four Months Ended April 30		
Gross earnings	6,078,692	5,519,653
Less: Oper. exps.	4,414,668	3,895,135
Int. & pf. divds.	748,663	752,663
Bal. for "A" stock	915,361	871,855

Mexican Light & Power

Month of February	1941 $	1940 $
Gross earnings	725,973	612,393
Expenses & depr.	585,118	477,041
Net earnings	140,855	135,352

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Company Reports

Andian National

Andian National Corp. continued in 1940 to pay dividends somewhat in excess of the earnings for the period. The annual statement shows a deficit on the year of $27,732 compared with $142,117 a year ago, after payment of dividends. A surplus balance of over $1.7 millions has been carried into 1941 operations.

Working capital increased over $700,000 in the year to $9,637,028 at the end of 1940.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating income	9,395,909	9,508,943
Add: Invest. income	341,955	174,228
Total income	9,737,864	9,683,171
Less: Pay. to Colombian Govt.	146,451	150,687
Legal & exec. exp.	90,019	85,438
Foreign taxes	1,308,776	1,348,233
Depreciation	570,350	590,930
Net profit	7,622,268	7,507,883
Less: Dividends	7,650,000	7,650,000
Deficit on year	27,732	142,117
Add: Prev. surplus	1,775,152	2,161,931
Less: Retirement fund	......	243,807
Prior yr. taxes	17,083	855
Surplus forward	1,730,337	1,775,152
Earned per Share:		
Earned	$2.99	$2.94
Paid	3.00	3.00
Working Capital		
Current assets	11,052,310	10,388,787
Current liabilities	1,415,282	1,470,237
Working capital	9,637,028	8,918,550

Ont. Tobacco Plantations

Acreage planted by Ontario Tobacco Plantations Ltd., in 1940 was reduced one third in order to adjust to the large carryover in the tobacco industry and the reduction in British demand. In addition, crops in the Norfolk area were reduced 30% by a heavy July frost.

The 1939 carryover was disposed of profitably.

With little improvement in demand in sight, planting will be largely kept to a reduced acreage of "rested" land, thus insuring a better quality of tobacco.

Income and Surplus Account
Years Ended Mar. 31

	1941 $	1940 $
Revenue:		
Tobacco sales	77,975	124,295
Less: Sharemen's portion	35,841	55,139
Marketing bd. exp.	345	640
Add: Apple sales	467	1,985
Feed crops	3,673	2,584
Field crops	1,358	540
Operating revenue	47,287	64,410
Less: Oper. expenses	32,669	39,969
Admin. expense	10,315	14,365
Depreciation	5,143	10,843
Add: Sundry revenue	218	348
Net loss	623	419
Less: Pfd. div.	......	8,001
Deficit for yr.	623	8,420
Add: Prev. deficit	2,489	†5,564
Prior yr. taxes	49	.205
Less: Prof. re equip. sale	566	592
Deficit forward	2,595	2,489
†Surplus.		
Working Capital		
Current assets	16,354	75,241
Current liabilities	2,941	61,482
Working capital	13,413	13,759

Great Britain & Canada

Net profits of Great Britain & Canada Investment Corp. rose to $86,638 in its latest fiscal year ended Mar. 31, 1941, from $57,150 a year ago. As a result of changes in the investment portfolio during the year, a capital profit was realized, which, combined with profits on the purchase of $178,500 par value of the company's debentures at a discount resulted in a net profit on capital account of $98,880. This amount has been credited to the investment realization deficit, which now has been reduced to $91,711.

Market value of the portfolio stood at $4,153,289 at Mar. 31, 1941, compared with $4,849,136 a year earlier.

Income and Surplus Account
Years Ended Mar. 31

	1941 $	1940 $
Rev. from invest	282,335	260,708
Add: Stock divs.	3,183	5,018
Interest earned	......	24
Total income	285,518	265,750
Less: Manage. exp.	16,285	16,864
Other exp.	1,585	1,615
Loss on exch.	7,717	12,343
Debenture int.	164,722	170,685
Inc. & other taxes	8,571	7,093
Net prof. & surplus	86,638	57,150
Add: Prev. surplus	416,308	358,124
Prior yr. revenue	6,893	4,852
Less: Prior yr. taxes	......	3,818
Surplus forward	509,839	416,308
Earned per Share:		
$5 Preferred	$2.25	$1.48
No dividends paid.		
Debentures Outstand.	$3,482,000	$3,660,500

Inter. Hydro-Electric

Cash receipts of International Hydro-Electric System in 1940 totalled $1,697,062, of which $985,276 came from dividends of Gatineau Power Co.; $702,863 from Hudson River Power Corp. and System Properties Inc., the balance being miscellaneous cash receipts. Against these receipts, the System disbursed $1,698,710, of which $1,594,080 represented interest on its debentures. Additional advances to subsidiaries of $76,000 resulted in excess of payments over receipts amounting to $77,649 and reduced the cash on hand to $956,454.

Consolidated statement of the System and subsidiaries, shown below, shows total earnings of the group ahead of 1939 before income and excess profits taxes. The statement of the System itself shows a net loss of $931,549 after deducting from receipts for the period the amount of $845,273 which is regarded as return of capital invested.

Further impairment of earnings is anticipated from recent tax measures in Canada. Arrears of nearly $4 millions in preferred dividends of New England Power Association are expected to prevent the company receiving dividends on its common holdings in that company in the near future.

Total output of Gatineau Power in the year was 3.1 billion kw.h. against 3 billion in 1939. Output of New England Power in 1940 was 2.7 billion kw.h. against 2.5 billion the previous year.

Some progress is reported in working out a simplification of the company's holding company structure with the Securities and Exchange Commission.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross oper. revenue	68,243,874	65,782,678
Add: Other income	2,761,653	2,954,456
Net revenue	71,005,527	68,737,134
Less: Oper. expenses	24,185,572	22,252,523
Tax (other than inc.)	8,489,777	8,468,994
Maintenance	3,768,050	3,711,519
Net income	34,562,128	34,303,098
Less: Int. on debt subs.	10,184,871	10,658,417
Int. on debs.	1,594,080	1,594,080
Deprec. reserve	6,452,431	6,472,543
Amort., disct. & exp.	1,113,003	1,068,060
Income taxes	5,104,221	3,167,380
Divds. on pref. & cl. A stks. of subsids.†	8,794,061	8,580,804
Min. int. in subs.	1,180,856	1,456,908
Foreign exch.	......	104,136
Net profit & surp.	138,605	1,200,770
Add: Prev. earn. surp.	1,936,955	155,574
Applic. to min. int.	279,867	147,581
Adjust. re bonds	......	2,172,016
Sundry res.	......	449,990
Less: Amort. of option shs. N.E. Pr. Assoc.	124,500	124,500
Loss on bonds red.	60,448	78,046
Write down of asset	17,440	528,138
Adjustments	16,386	24,805
Prior yr. tax	769,681	......
Prel. eng. chgs. w/o	155,371	......
Addit. deprec.	......	468,725
Loss on props. w/o	1,204,630	964,762
Surplus forward	*93,039	1,936,955
†Incl. divs. accr. but not being pd., in amt. of	219,214	550,674
*Deficit.		
Times Fixed Charges Earned:		
Before depreciation	1.59	1.57
After depreciation	1.30	1.27
Earns. per Share and Divd. Record:		
Pref., $3.50, earned	$0.97	$8.43
Class A, earned	d0.42	0.82
None paid on either class.		
Working Capital		
Current assets	25,170,944	21,975,416
Current liabilities	16,774,978	18,227,265
Working capital	8,395,966	3,748,151

B. C. Wage Levy To Be Dropped

From Our Own Correspondent

VANCOUVER. — Collection of British Columbia's 1% tax on wages, originally instituted in 1931, will cease June 30, according to Hon. John Hart, Minister of Finance.

For the past 10 years 1% has been deducted every week from wage rolls by employing firms in British Columbia.

The province is discontinuing the levy as part of its understanding with the Federal Government, which will be left alone in the income tax field in British Columbia as part of this province's new policy of wartime collaboration and co-operation.

Tip Top Tailors

Operating profit of Tip Top Tailors Ltd. more than doubled in the period ended Dec. 28, 1940, but after allowing for increases in income and excess profits taxes of over $300,000 and special reserve of $150,000 against changes in inventory values, net profit was lower by nearly $34,000.

Depreciation allowance increased nearly $67,000, mainly due to provision for machinery used on war contracts. Working capital increased about $83,000 to $1,490,662.

It is felt that there may be a possibility of making some recovery on the investment in Tip Top Tailors, Inc., the American subsidiary whose preferred dividends carry a limited guarantee by the parent. The subsidiary went into liquidation last November, the Canadian company's investment and advances have been written off, and $57,000 par value of Dominion of Canada bonds have been made available to a new company for U. S. operations.

Consol. Income and Surplus Account
Years Ended

	Dec. 28 1940 $	Dec. 30 1939 $
Oper. profit	1,005,607	490,923
Add: Invest. income	1,212	1,287
Total income	1,006,819	492,210
Less: Exec. remun., etc.	86,430	58,185
Depreciation	179,384	112,502
Income taxes	371,612	68,519
Spec. inventory res.	150,000	......
Net profit	219,393	253,004
Less: Pref. divs.	70,726	71,389
Common divs.	72,000	72,000
Surplus for year	76,667	109,615
Add: Prev. surplus	799,247	824,921
Less: Pfd. shs. red.	3,272	34,629
Subsid. invest. w/o	150,756	100,660
Surplus forward	721,886	799,247
Earnings per Share:		
Preferred: Earned	$21.74	$24.99
Paid	7.00	7.00
Common: Earned	1.24	1.51
Paid	0.60	0.60
Working Capital		
Current assets	2,908,628	1,926,281
Current liabilities	1,417,967	518,667
Working capital	1,490,661	1,407,614

Inter. Hydro Has Deficit

Cash Income Fails to Cover Interest and Expenses

From Our Own Correspondent

MONTREAL. — International Hydro-Electric System reports total cash receipts of $1.7 million in 1940. This was obtained through dividends from Gatineau Power Co. of $985,276, after allowing for exchange losses and Canadian taxes, and $702,863 from Hudson River Power Corp. and System Properties, with miscellaneous cash receipts making up the balance.

International Hydro-Electric system is a holding company and dependent on the income it receives from investment in subsidiaries for cash with which to meet its own interest charges and expenses. This means consolidated net earnings do not always reflect the actual cash available to pay debenture interest for the company itself.

Gatineau Largest Holding

Its chief holding is in Gatineau Power Co. in which it owns 86% of the common shares. This income in 1940 declined about $440,000 in 1939 due to war. New Canadian taxes will result in further substantial reductions in Gatineau Power Co.'s earnings, it is stated.

Other chief investment is in Hudson River Power Corp. and System Properties, operating in New York and New England. No cash income can be expected from International Hydro's investment in New England Power Assoc. under present conditions, it is stated.

International Hydro's cash receipts for 1940 were $77,649 less than its expenses, including debenture interest. This balance was met by drawing on cash balances which left $956,454 at Dec. 31 last.

On a consolidated basis the 1940 report shows total revenue up 3.3% from 1939, as a result of higher sales chiefly in New England. Operating expenses and maintenance were up 7.7%. Taxes continued to increase, showing a gain last year of 16.8% over 1939 and being up more than 50% in the last five years. Further details of the annual report will be found elsewhere in The Post.

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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

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WEEK ENDING MAY 26

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Range 1941 High	Low	Div R'te $	May24 Y'ld %		Sales	Last May 19	Week end. May 26 H	L	Cl'se
.90	.50	•	...	Abitibi	673	.60	.75	.70	.75
8	4	•	...	Do. pref. 6%	505	5½	6	5½	5½
12⅞	8	•	...	Do. pref. 7%	....	(6½ bid — asked)			
3	1	.	...	Acme Glove	....	(1½ bid — asked)			
60	50	6.50	11.8	Do. pref.	....	(55 bid 60 asked)			
12	11½	80+20c	8.7	Agnew Surp.	10	11½	11½	11½	11½
108	105	7	6.7	Do. pref.	....	(105 bid — asked)			
1.50	.75	.	...	Alta. Pac. Gr.	....	(— bid 1.00 asked)			
30	24½	.	...	Do. pref.	....	(20 bid 33 asked)			
10	7	.	...	Algoma Steel	10	8	8	8	8
97½	89½	2.50	2.8	Do. pref.	....	(— bid 88½ asked)			
115	100	8	7.9	Aluminium	65	100	101	101	101
120	117	6	5.1	Do. pref.	....	(112 bid — asked)			
7½	6	.	...	Amal. Electric	....	(5½ bid 10 asked)			
37	37	60c	...	Amer. Cyn. B.	....	(33 bid — asked)			
46	44½	2.75	6.2	Ang. Can. Tel. p	....	(— bid 44 asked)			
18½	14½	60+60c	7	Asbestos	380	16	17	16½	17
17	14½	1	6.2	Assoc. Brew.	330	16½	16½	15⅞	15⅞
110½	108½	7	6.3	Do. pref.	....	(110½ bid — asked)			
•2	2	.	...	Assoc. T. & T.A.	....	(— bid 7 asked)			

Range 1941 High	Low	Div R'te $	May24 Y'ld %		Sales	Last May 19	Week end. May 26 H	L	Cl'se
10½	5⅜	.	...	Do. Vot. Tr.	40	7	7½	5⅞	7½
1.50	.50	.	...	Freiman	....	(— bid — asked)			
42	41	.	...	Do. pref.	....	(45 bid — asked)			
9⅞	6½	80c	10.7	Gatineau Pwr.	115	7½	7⅞	7½	7⅞
90	75	5	6.4	Do. pref.	65	80	77½	75	75
95½	75	5.50	7.3	Do. 5½% pref.	....	(80 bid 89 asked)			
1.25	.25	.	...	Do. Rights	10	.25	.25	.25	.25
6½	4½	.	...	Gen. St. Wares.	125	4½	4½	4½	4½
94	88	7+27c	...	Do. pref.	10	89	89	89	89
80	66	2.50+1.50		Goodyear Tire.	3	68½	66	66	66
56	53	2.50	4.6	Do. pref.	110	54	54½	53½	53½
°50	50	1	...	Gould Pumps	....	(— bid — asked)			
4	2½	.	...	Gt. Lakes Pap.	....	(2⅞ bid 3½ asked)			
§29	18½	25c	..	Do. pref.	....	(— bid 21 asked)			
3½	1⅞	.	...	Do. Vot. tr. c.	4	2	2	2	2
19⅞	13½	25c	...	Do. Vot. tr. p.	56	13½	14	13½	13½
5	1⅞	.	...	Gt. W. Saddlery	10	5	5	5	5
30	25	2.25	...	Do. pref.	....	(25 bid 35 asked)			
11½	9⅞	60c	6	Greening Wire.	....	(9½ bid 11½ asked)			
§1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
4½	2½	.	...	Gurd, Chas.	....	(3½ bid 4½ asked)			
§107½	106½	.	...	Do. pref.	....	(— bid 106 asked)			
3½	2⅞	.	...	Gypsum, Lime.	10	2⅞	2⅞	2⅞	2⅞

Mining Stocks

Week Ending May 26.

Vancouver Stocks

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close May 19 (or last)	High for week	Low for week	Close May 26
25c.	.14	.10	Sunset Oil	......	(.09 bid	.10½ asked)		
No	.04½	.03	United	......	(.02 bid	.... asked)		
No	.04½	.04	Vanalta	......	(.03 bid	.04 asked)		
1	.38½	.20	Vulcan	......	(.20 bid	.30 asked)		
No	*.05	.02	West Flank	......	(.... bid	.... asked)		

* Quotations for 1940.

Winnipeg Stocks

(Transactions from May 19 to May 24)

	Sales	High for period	Low for period	Close May 24
Great Falls M. & S.	400	.02	.02	.02
Great West Life	20	200.00	200.00	200.00
Home Investment	10	15.00	15.00	15.00
Northern Trusts	10	7.00	7.00	7.00
United Grain Growers	10	9.75	9.50	9.50
Wingold	2,628	.08½	.08½	.08½

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Fed. Grain, c.	.50	..
Beav. Lumber, c	3	5	Fed. Grain, pf.	27	30
Beav. Lumber, p.	102	105	Nor. Can. Mtg. p.	5	..
Can. Airways	1	..	Traders Bldg.	43	..
Can. Indemnity	150	..	West. Brew.	1⅞	2
Corr. P. Box, c.	.60	..	West. Grain, p.	..	9
Cres. Cream., p.	10½	12	West. Steel	7	8
Dom. Envelope c	8½	..	Wings	.15	.75
Dom. Envelope p	..	97½			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
May 27	3,700	4,500	100,000	......
May 26	6,100	3,800	111,000	4,400
May 24	—Holiday—			
May 23	5,700	4,600	76,000	7,010
May 22	4,200	3,800	217,000	10,447
May 21	5,700	3,000	104,000	14,875

Government Bonds

Dominion of Canada Bonds (Supplied by Investment Dealers' Assoc. of Canada)

May 28, 1941

%	Due	Bid	Ask	Approx. Yld.
5	Nov. '41	101¼	102	.98
1½	May '42	100¼	100⅞	.80
2	June '42	100¾	101⅛	.70
3	Oct. '42	102	102⅜	1.04
2½	June '43	101⅞	102⅜	1.19
5	Oct. '43	107½	108	1.61
2	June '44	100⅞	101⅛	1.45
a2½	Jan. '44	94⅞	96⅜	3.83
4½	Oct. '44	107½	108¼	1.81
2½	Nov. '44	102	103	1.61
a2½	Aug. '45	92½	93⅛‡	4.11
4	Oct. '45	104½	105½	b1.67
4½	Feb. '46	109½	110½	2.20
3½	June '49	102½	103½	b2.51
3½	Oct. '49	102½	103½	b2.44
3½	Nov. '51	100⅞	101⅞	b3.00
3½	Feb. '52	101	102	b2.92
a5	May '52	100½	‡101½	b3.32
4	Oct. '52	105	106	b2.96
3	Oct. '52	98	99	3.10
3	June '55	98	99	3.09
4½	Nov. '56	107	108	b2.91
4½	Nov. '57	107½	108½	b3.05
3	June '58	97⅞	98⅞	3.10
4½	Nov. '58	108	109	b3.15
4½	Nov. '59	108⅞	109⅞	b3.18
a4	Oct. '60	97	98⅜	4.15
a3½	Jan. '61	88½	89½‡	4.02
3½	June '66	99⅞	100⅞	b3.19
a3e	Jan. '67	84⅞	86⅜	3.86
a3e	Nov. '68	84⅞	86⅜	3.83
†3	Perpet'l.	90½	91½	3.29
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	100⅞	101½	1.17
2½	Jan. '46	100½	101½	1.92
3	May '44	103	104	1.65
3	Dec. '50	99	100	3.00
3	Feb. '53	97½	99	3.10

%	Due	Bid	Ask	Approx. Yld.
3	Jan. '59	96½	97⅞	3.17
*4½	Sept. '51	113	114½	2.89
*4½	Feb. '56	113½	114⅞	3.25
4½	July '57	113½	115	3.31
*4½	June '55	115½	117	3.27
5	Feb. '54	116	117½	3.33
*5e	July '69	113½	114⅞	b1.80
*5e	Oct. '69	117½	119	b2.96
*5e	Feb. '70	117	118½	b3.17
Grand Trunk Pacific Rly.:				
3	Jan. '62	97	98½	3.10
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	87	89	4.31
3½	Aug. '49	90	92	4.40
3½	June '56	88	90	4.40
c4	Nov. '47	96	98	4.35
c4½	Apr. '61	96½	98½	4.62
c5	Jan. '60	102	104	4.68
Nova Scotia:				
3	Jan. '52	93	94½	3.61
3½	June '56	93	94½	3.72
3½	Nov. '50	97	98½	3.68
c4½	Sept. '52	104	106	b3.45
c4½	Nov. '60	107	110	3.78
c5	Mar. '60	114	116	3.83
Ontario:				
2½	May '45	99	100½	2.36
3	Apr. '48	98½	99⅞	3.05
3	Nov. '50	98	99	3.12
3½	Nov. '51	99½	100⅞	b3.15
3½	May '55	99	100½	b3.22
*4	June '62	103	105½	3.62
4½	June '50	107	109	3.34
*4½	Jan. '62	110	113	3.62
5	Oct. '48	109	111	3.32
*5	Dec. '60	117	120	3.57
5½	July '46	109½	111½	3.05
Ont. Hydro Commission:				
3	Aug. '48	98½	99⅞	3.05
3½	Feb. '53	99	100½	b3.18
3½	Apr. '47	101	102½	3.04
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	93	94½	3.96

%	Due	Bid	Ask	Approx. Yld.
3½	Mar. '48	94½	96	3.92
3½	Mar. '59	91	92½	4.09
3⅞	Feb. '55	95	96½	4.08
4	Mar. '52	98	99½	4.05
4½	Aug. '58	99	101	4.17
4½	Jan. '63	101	104	4.22
Alberta:				
4	Dec. '54	50	55	d
4½	Oct. '51	65½	69½	d
c4½	Oct. '56	52	57	d
*5	Oct. '59	55	59	d
c5½	Apr. '52	60	65	d
6	Mar. '47	64	69	d
British Columbia:				
c4	Dec. '57	94	99	4.09
*4½	Jan. '51	99	103	4.13
c4½	Oct. '53	99	103	4.20
c5	Apr. '54	102	106	4.40
5½	Feb. '45	100	104	4.33
6	Feb. '47	103	107	4.61
Manitoba:				
c4	Dec. '57	83	89	4.98
c4½	Dec. '56	85	90	5.46
*5	Dec. '59	90	95	5.42
5½	Oct. '55	92½	96½	5.85
6	Apr. '47	95	100	6.00
Saskatchewan:				
4	Sept. '54	65	70	7.80
4	Nov. '60	64	68	7.05
c4½	Oct. '51	80	84	6.63
c4½	Mar. '60	69	74	7.00
5	Aug. '58	72	77	7.36
5½	Oct. '52	75	80	8.22
6	Mar. '52	81	86	7.93

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 27, 1941

Industrials:	Bid	Ask.
Acme Farm., pf.	34	36⅞
Andian National	26	28½
Anglo C. Tel., A	7½	7⅞
Atlas Steel	..	20
Barrymore, pfd.	28	..
Blue T. Brew. A	9½	10½
Do., B	6	7
B. C. Pulp, c.	9½	11
Do., pfd.	60	65
B. C. Sugar	71½	73
B. C. Tel., 1st p.	111	114
Burns & Co., A	4	4⅞
Do., B	2	3½
Can. Co-op. Wl.	8	..
C. I. L., A c.	180	..
Can. Ing. Rand	72	77
Can. Wire&C. p	106½	108
Can. Mot. L.A.B.	2⅞	..
Can. Tube, 1st p	88	..
Can. West'ghouse	41	44
Chase, A. W., p.	18½	20
Claude Neon, p.	4½	5½
Colonial Steam.	13½	16
Copeland Fl. un.	13½	14½
Dom. Manuf., p.	61	65
Dunlop T. p. $25	23½	24½
East. Steel, pf.	19½	22½
Easy Wash. p $10	10	12
Goderich Elev.	6⅞	7½
Guelph Carp., c.	18	21
Gurney Fdry., p	1	1½
Hayes Steel, c.	..	9
Hi'land Dairy, p	47	50½
Homewood San.	100	120
Kingst. Ship. un	28	30
Loblaw Inc., c.	11	12
Maritime Tel., c.	14½	..
Minn. & Ont. P. c	2½	3
M'row Screw, p.	100	..
Do., com.	10	12
Moirs, pfd.	18½	21½

	Bid	Ask.
Mt. Royal H., c.	2½	3⅞
Morrison Br. un.	4½	6½
N. B. Tel., c.	10	12½
Neilson, Wm., c.	9	..
Do., pfd.	100	..
N. Meth. Ldy. p	53	57
Ont. Tobacco, p.	17	20
Pac. C. Term., c.	9	10½
Prov. Paper, pfd	104	105½
Ruddy, E. L., p.	22	25½
Quinte Milk	2	3
Stand. Fuel, p.	58	62
Stedman, pf. $50	56½	58
Tor. Carpet, c.	38	..
Do., pfd.	64	67
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	21½	23½
Viceroy Mfg., p.	23½	..
Do., com.	12½	..
Westons Hold.	3	..
Trusts & Loan Stocks:		
Brit. Mtge.	122½	132
Brockville Tr.	41	..
Capital Tr.	30	32½
Com. Fin., c.	2⅞	3
Grey&Br. Tr. $50	43	46
Guaranty Trust.	100	103
Guelph & O. $50	50	53⅞
Indust. Mtge.	24	..
Lambton Loan	30	33
London & West.	34	37
Midland Loan	14	15½
Premier Trust	61	..
Sherbrooke Tr.	120	..
Sterling Trust	50	60
Traders Fin. A c	7	9½
Do., A pfd.	83½	87
Trusts & Gr. new	50	52½
Victoria Trust	75	80
Waterloo Tr.	100	..
Insurance Stocks:		
Canada Life	400	415

	Bid	Ask.
Brit. Amer.	51	55
Canadian Fire	81	85
Confed. 30% pd.	135	140
Continental L.	35	..
Crown, fully pd.	250	265
Dominion Fire	138	..
D. of Can. Gen.	112	120
Empire, 25% pd.	6	7
Excelsior 38% pd	70	..
Federal, 25% pd.	52	..
Great-West Life	200	210
Halifax Fire	15½	16½
Imperial Life	300	315
Manufac. Life	225	245
Monarch Life	31	..
National Life	25	28
Sov. L. 25% pd.	11⅞	..
Sun Life	300	320
Tor. General	4½	6½
Wellington Fire.	58	..
Western Assce.	41	44
Theatre Stocks:		
Allen's King. un	63	..
Do. St. Cath. un	50	..
Mansf. Theat. p.	28	31
Para. Kitch., p.	50	..
Do., Oshawa, c	7½	10
Investment Trust Shares:		
Can. Investors	4	5
Inv. Found. un.	42	45
Sec's. Hold., pf.	19	21
United Corp., A	19	21
Do., B	3½	4½
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	102	104½
Gt. Lakes Pr., p	101	103
Int. Util. 1.75 p	13	..
Do., $3.50 p.	32	..
Mtl. Is. Pwr., p.	37	..
Nor. Ont. Pr., p.	70	75

Unlisted Mines

Toronto, May 27, 1941

	Bid	Ask
Adding.	.00½	.01½
Albany River		
(Old)	.03½	.05
(New)	.10	.12
Amal K	.05½	.05⅞
Anoki	.04½	.05
Aquarius	..	19
Arjon	.04	.05
Armistice	.16	.18
Argosy	.06½	.07½
Area	.02½	.03½
Athona		
(Old)	.01	.02
(New)	.01⅞	.02½
Barb Ld	.01⅞	.02½
Bilmac	.01	.02
Bonetal	.46	.50
Brock	.37	.39
Buf Bear	..	.03
Calder B	.02	.02½
Cent M	.02	.02½
Cheminis	.02½	.03
Coin La	.03½	.04
Cons Ch	.04	.06
Crescent	.00½	.01
Dayton	.01	.02
Demp C	.00½	.01
Denovo	.10	.12
Desants n	.12	.15
Dona Pat	.01½	.02

	Bid	Ask
E Laco	.00½	.01
Elmos	.05	.07
Franco	.22	..
Galore	.01½	.02
Gan Cop	..	.06½
Gate Pat	.00⅞	.01½
Gilbec	.00½	.01
Gord L	.00½	.00⅞
H'ridge	..	.11
Hoyle n	.21	.23
Hugh PP	.06	.07
Hutch L	.01½	.02
Jasper	.12	.14
Keora	.01½	.02
Kenricia	.01½	.02
Kewag	.01½	.02
Kiena	.02	.03
Kirk G	.01	.02
Lacoma	.01½	.01⅞
Laguerre	.13	.16
Lake D	.15	.17
Loke G	.10	.13
Lardego	.00½	.01
Lw Pete	.12	.15
Mag C	.80	.83
Mag L	.17	.21
Magwell	.01	.02½
Mart B	.02½	.03
Margar	.08	.10
Mata C	.02½	.03½

	Bid	Ask
Mata Con	.14	.18
McLell	.20	.22
McMar	.34	.37
Moff H a	.01½	.02½
Monar	.01½	.02½
Mooshia	.01½	.02
Mosher	.04½	.05
McGreg	.01	.02
McMan	.02	.03
Nat Mal	.28	.29
New Aug	.26	.28
New Roy	.00½	.01
Nick O	.70	.80
Norbeau	.16	.21
Northland		
(1940)	..	.04
Norwin	.03	.05
Numal	.09	.11
Oklend	.04	.04½
O'Leary	.01½	.02½
Ont Nick	.07½	.09
Opemis	.02½	.03½
Oriole	.01	.01½
Orpit	.06	.07
Ossian	.00⅞	.01½
Pascalis	.24	.27
Pontiac R		
(Old)	.03	..
Pelang	.01½	.02½
Phoenix	.01	.02

	Bid	Ask
Polaris	.07	.08
Propri'y	2.90	3.00
Presdor	.04	.04½
Queb M	.04	.06
Rahn L	.00½	.01½
Rand M	.06	.08
Red Lake	.01	.02
S.A.G.A.	1.75	2.00
Sachigo	3.25	3.50
Sanshaw		
Special	.07	.09
Min L	.04	.06
Sanore	.05	.07
Shenango		
(Old)	.02½	.03
(New)	.21	.23
Sheldon	.04½	.06
Skynner	.02½	.03½
Spooner	..	.02
Smelt G	.00⅞	.01½
Sunbeam	.02	.04
Springer	.16	.18
Stadac	.04	.06
Thomps	.11	.13
Treaty P	.05	.06½
Union M	.03	.05
Woco	.01½	.02
Wasu	.04	.06
Y Dov'n	.27	.29
West End	.01	.01½

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 27, 1941

Public Utility Issues:	Int. Rate %	Due	Bid May 27	Asked May 27	Bid May 20
▴‡Alg. C. H.B.R.	5	'59	5	7	5
†Assoc. Tel & T.	5½	'55	69½	72½	69½
B. C. Power	4½	'60	98	100	98½
B. C. Tel.	4½	'61	107	109	106½
†Calgary Pwr.	5	'60	105½	107½	107
Do.	5	'64	102	104	102
†Can. Nor. Pwr.	5	'53	102	104	103
*Dom. Gas & El.	6½	'45	101½	103½	101
Gatineau Pwr.	5	'49	101	103	101½
*Do., A	3⅞	'69	96	98	96½
♦Do., B	3⅞	'69	95	97	95
Gt. Lakes Pwr.	4½	'56	97	99	97½
Do.,	5	'57	94	97	94
*Int. Hydro-E.	6	'44	50½	53½	53½
▴Inter. Power	6	'55	100½	102½	101
L. St. Law Pwr.	5	'55	97	99	97
Macl'n-Que. Pr.	4	'59	96	98	96
Mtl. L. H. & P.	3½	'56	98½	100½	99½
Do.,	3½	'73	95	97	95
Do.	3½	'63	96½	98½	97
†Mtl. Tramways	5	'41	88	91	88½
†Do.	5	'55	52	55	53½
Nat. Lt. & Pwr.	6	'49	101	103	100½
N. S. Lt. Pr.	4	'57	100½	102½	100½
Ottawa L.H.&P.	4	'57	100½	102½	100½
Ottawa V. Pwr.	5	'59	101	103	101½
†Power Corp.	4½	'59	94½	97½	94
Quebec Pwr.	4	'62	100½	102½	100½
*Saguenay P., A	4½	'66	107	109	108
♦Do., B	4½	'66	104	106	105
St. Maurice Pr.	4½	'70	99½	101½	99½
Shaw. W. & Pr.	4	'61	99½	101½	100
Do.	3½	'46	100½	102½	100½
Do.	4	'69	99	101	99
Union Gas	4½	'50	102½	104½	102½
*Twin C. R. Tr.	5½	'52	65½	68½	65½
†United Secs.	5½	'52	39	42	39
‡Wpg. El., ser. A	5	'65	68	71	67½
Do., B	5	'65	45	48	45
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	68½	71½	63½
Do., C.O.D.	5	'53	64½	67½	60½
Acadia Sugar	4½	'55	102½	104½	102½
Do.	6	'54	95	98	95
†Alta. Pa. Grain.	6	'46	99	101	99
Algoma Steel	5	'48	102½	104½	102
Atlantic Sugar	4	'51	100½	102½	100½
†B. C. P. & Pap.	6	'50	83	86	83½
†‡Do.	7	'50	110	113	109½
*Brown Co.	5½	'46	52½	55½	52½
Burns & Co.	5	'58	56	59	55½
Canada Bread	6	'41	100	102	100
Canada Cement	4½	'51	103½	105½	104
Canada Electric	4½	'65	94	97	94½
Can. Paper	4½	'52	101	103	101
Can. Steamships	5	'57	99½	101½	99
Can. Canners	4	'51	100	102	100½
*Can. Int. Paper	6	'49	104	106	104
‡Can. Locomotive	6	'53	88½	91½	90
‡†Candn. Vickers	6	'47	51	54	52½
C. P. R.	3½	'51	93½	95½	93½
Do.	4	'49	97½	99½	97½
Do.	4½	'44	100½	101½	100½
Do.	6	'42	102½	104½	102½
Col. Steamships	6	'54	94½	97½	94½
†Consol. Paper	5½	'61	67	70	67½
Dom. Coal	4½	'52	101	103	101
Dom. Scott. Inv.	4	'52	95	98	95
Dom. Stl. & Co.	6½	'55	106	108	105½
Dom. Tar	4½	'51	101	103	100½
Dom. Woollens.	6	'53	97	100	96
†Donnacona P.	4½	'56	67½	70½	68½
*Dryden Pap.	6	'49	99	101	99
‡Dufferin Pav.	5	'55	55	58	55
†East. Dairies	6	'49	76½	79½	76½
Famous Players	4½	'51	99½	101½	99
†Federal Grain	6	'49	97½	99½	97½
†Fraser Cos.	6	'50	99	101	98½
Galt Brass	5	'30	90	..	90
Gen. Stl. Wares.	4½	'52	98	100	98½
*Great L. Paper.	5	'55	88½	91½	88
*Gurney Fdry.	5½	'49	70	73	69½
†Gypsum, Lime	5½	'48	99	101	99
Ham. By-Pr., C.	5	'55	102	104	102
Do.	6	'56	100	102	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	101½	103½	101½
Indust. Accept.	4	'52	82½	85½	82½
Ins. Ex. Bldg.	3	'51	41	44	41
*Inter. P., Nfld.	4½	'68	89	92	89
*Inv. Bond & Sh.	5	'47	41	44	43
†Kingston Elev.	6	'30	103	105	103
Lake St. J. P.	5½	'61	82½	85½	82
Do.	5	'61	52½	55½	53
Legare	6	'61	87	90	87
Maple Leaf M.	3	'58	72	75	72
Man. Sugar	5	'60	95½	98½	95½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

May 27, 1941

Miscellaneous Stocks:	Bid May 27	Asked May 27	Bid May 20
Adirondack Fdry. S., c.	10	11½	10½
†Allens Tor. Th., p.	31	35	32
Brown & Co., c.	1	1½	1
Cons. Divers. S. Se's., p	7⅞	8⅞	8
Corrug. Paperbox, c.	.50	.75	.50
Dover Industries	6½	7½	6½
East. Bake., p.	29	38	..
†Ft. Wm. Hotel, units	43½	50	43
Galt Brass, c.	7⅞	9½	7½
Imperial Varnish, c.	8½	9½	8½
Ingram & Bell, new p.	89	93	85
Inter. Equities, units	25½	30	25
*Loew's Buffalo Th., p.	6	..	6
Loew's Lond. Th., p.	3	3½	3
Mersey Paper, c.	4½	5½	4½
*Midland Prop's., Inc., p.	6	..	6
Minn. & Ont., c.	2½	2⅞	2½
Monarch Mtge. Inv. un.	.25	.50	.20
*Mt. Royal, old p.	3⅞	4½	3⅞
Murphy Paint units	97½	99	97½
Nat. Hosiery com.	.80	1	1
Niag. L. Arch Br.	36½	41	36
†N. Amer. Elev., p.	65½	70	65
Second Stand. Royal's.	.03	.04	.03
Sutton Horsley	1.15	..	1.20
Traders Fin., rights	12	13½	12
Waterloo Mfg., new c.	⅞	1	⅞
*Wentw. Radio, pref.	3	..	3½
West Can. Hydro, p.	10⅞	11½	11

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

Massey-Harris	4½	'54	89½	92½	89½
McColl-Fron.	4½	'49	102	104	102
McCormick's	4	'52	96½	99½	96½
Do.	4½	'52	103	...	103
Mercury Mills	5	'59	91½	94½	91½
Mersey Paper	5	'57	95½	98½	95½
†Do.	6	'49	99	101	99
*M. & O. Paper	5	'60	73	76	..
Moirs Ltd.	6	'53	53½	56½	53½
‡Mtl. Drydocks	6	'48	37½	40½	37½
Montreal Apts.	4	'54	58½	61½	58½
Munic. Bankers		'48	..	..	9
Nat. Grocers	4	'47	101	103	101
N. S. Stl. Coal	3½	'63	81½	84½	81
Price Bros.	5	'57	94½	97½	94½
Do.	4	'57	83	86	83½
*Prov. Paper	5½	'47	105	...	105
Reliance Grain.	4½	'52	93	96	..
†Restigouche Co.	6	'48	95	98	..
Rolland Paper	4½	'51	102½	104½	102½
Ruddy, E. L.	6½	'48	100	102	100
Silv. Dairies	6	'66	90½	93½	90½
Simpsons Ltd.	4½	'51	99	101	99
Smith, Howard.	4½	'51	103½	105½	103½
Stand. Lime	6	'44	97	..	97
Sterling Coal	6	'45	96	99	96
Stop & Shop	3	'47	53	56	53
United Corp.	5	'53	89	92	89
*United Gas	5½	'48	103½	105½	104
United Gr. Grs.	5	'48	95	97	95½
†Western Grain	6	'49	55	58	55½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▴Payable in Can. or U. K.

Municipal Bonds

May 27, 1941

†Halifax	5	1961	108.00	109.50	4.38
Hamilton	5	1950	108.25	110.25	3.65
Montreal	5	1945	93.00	95.00	6.50
Ottawa	4½	1945	103.50	105.50	3.10
†Quebec	5	1959	103.00	106.00	4.51
Saint John	5	1950	104.00	106.00	4.23
†Toronto	4½	1955	108.50	110.50	3.55
†Vancouver	5	1950	98.00	101.00	4.86
Winnipeg	5	1944	101.00	104.00	3.61

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.20	2.41
Can. Amer. Trust	2.75	3.05
Can. Inter. Trust	4.25	5.00
Can. Invest. Fund	3.00	3.33
Grouped Income	...	4.65
Trans-Canada	0.10	[illegible]

Annual Meetings

1941	Company	Place
May 28	Pickle Crow Gold	Toronto
May 28	Quebec Gold Mining	Montreal
May 30	Big Missouri Mines	Montreal
May 30	National Malartic G.*	Montreal
May 30	Yukon Cons. Gold	Toronto
June 4	Candn. Foreign Inv.	Montreal
June 4	Int. Hydro Elec. Sy.	Boston
June 5	Can. Linseed Oil Mills	Montreal
June 16	Castle-Trethewey Mines	Toronto

*Special.

Mining Dividends

	Rate	Close May 26	Yield %
Anglo-Huronian	‡10c	2.10	..
Aunor Gold	▲8c	1.60	..
Beattie Gold	16c	1.09	14.7
Bralorne	80c+40c	9.80	*12.2
Broulan Porc.	12c	.80	15
Buffalo Ankerite	▲10c	3.65	..
Bulolo Gold	$3	16.00	18.7
Can. Malartic	8c	.51	15.7
Cariboo Gold	16c+8c	2.21	*10.8
Central Patricia	16c+6c	1.65	*13.3
Chesterville	5c	1.22	..
Cochenour Willans	3c	.67	..
Coniagas	‡25c	1.35	..
Coniaurum	16c	1.20	13.3
Cons. Smelters	$1+$1.25	32.50	*6.9
Delnite	‡6c	.80	7.5
Dome Mines	$2	21.75	9.2
East Malartic	‡30c	2.18	13.8
Falconbridge	▲10c	2.55	..
Francoeur Gold	‡3c	.38	..
Goldale	‡2c	.12	..
Gold Belt	▲2c	.26	..
Grandview	†.00½	.11¾	..
Gunnar Gold	6c	.23½	..
Hallnor	60c	4.85	12.4
Hard Rock	▲5c	.74	..
Hedley Mascot	▲4c	.50	..
Hollinger	65c+45c	12.00	*9.1
Howey Gold	2c	.20	..
Hudson Bay	‡$2	24.00	8.3
Inspiration	†2c	.23	..
Inter. Nickel, com.	$2	29.63	6.7
Island Mountain	▲8c	.95	..
Kerr Addison	▲17c	3.95	..
Kerr Lake	‡10c	.41	..
Kirkland Lake	10c+2c	.77	*15.6
Kootenay Belle	▲4c	.25	..
Lamaque Gold	‡40c+10c	4.25	*11.8
Lake Shore	$1.40	15.87	8.8
Leitch	8c	.50	16
Little Long Lac	‡30c	1.71	..
Macassa	32c+3c	3.90	*8.9
Madsen R. Lake	6c	.55	..
Malartic Gold	†5c	.95	..
McGillivray Coal	‡3c+1c	.21	..
McKenie Red L.	12c	1.02	11.8
Moneta	12c	.40	..
McIntyre-Porc.	$2.22+$1.11	47.75	*6.3
MacLeod-Cockshutt	‡20c	1.60	..
Naybob Gold	4c	.23	..
Negus	†5c	.60	..
Nipissing	15c	1.09	..
Noranda	$4	49.25	8.1
North Empire	▲20c	5.00	..
O'Brien Gold	‡10c	.63	..
Pamour Porc.	12c	.97	12.4
Pato Cons	20c	2.45	..
Paymaster	‡1c	.18	..
Perron Gold	16c+4c	1.30	*15.4
Pioneer, B.C.	40c	2.10	19
Pickle Crow	40c	2.30	17.3
Placer Develop.	$1.20	9.00	13.3
Premier	12c	.91	13
Preston E. Dome	20c+10c	2.84	*10.6
Privateer Mines	▲6c+2c	.51	..
Quebec Gold	‡2c	.20	..
Relief Arlington	‡5c	.01½	..
San Antonio	14c+6c	2.15	*9.2
Sheep Creek	16c	.79	..
Sherritt Gordon	▲5c	.63	..
Sigma Mines	▲30c	7.15	..
Silbak Premier	16c	.80	..
Siscoe	▲4½c	.55	..
Sturgeon River	4c	.13	..
Sudbury Basin	▲2½c	1.30	..
Sullivan Cons.	▲3c	.50	..
Surf Inlet	▲1c	.10½	..
Sylvanite Gold	28c	2.50	11.2
Teck-Hughes	40c+5c	2.87	15.6
Toburn	12c+8c	1.50	*13.3
Upper Canada	▲7c	1.77	..
Ventures	▲10c	3.35	..
Waite Amulet	10c	3.10	..
Wendigo	3c	.16½	..
Wright-Harg.	‡40c+30c	5.00	*14
Ymir Yankee	2c	.05	..

*Yield including bonus. †Initial.
‡Paid in 1940.
▲Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	July 2	June 16
Auror Gold	4c	June 2	May 10
Aluminium	$2	June 5	May 15
Do., pref.	†$1.50	June 1	May 10
Anglo-Can. Tel., A	15c	June 2	May 15
Andian National	†$1.50	June 2	May 20
Assoc. Brew.	25c	June 30	June 14
Do., pref.	$1.75	July 2	June 14
Asbestos Corp.	15c	June 30	June 15
Do., extra	15c	June 30	June 15
Brazilian Tr., pf.	$1.50	July 2	June 14
Bulolo Gold	$1.50	June 30	June 9
Beattie Gold	4c	June 18	June 2
Bright, T. G.	7½c	June 14	May 31
Do., pref.	$1.50	June 14	May 31
Bk. of N. Scotia	$3	July 2	June 14
Brit. Amer. Oil	25c	July 2	June 12
Bank of Montreal	$2	June 2	Apr. 30
Borden Co.	30c	June 2	May 15
Bank of Toronto	$2.50	June 2	May 15
Bertram & Sons	15c	Aug. 15	Aug. 1
Bathurst Pr. P.A.	25c	June 2	May 15
Bk. Can. Nationale	$2	June 2	May 15
Canada Cement, p.	$1.25	June 20	May 30
Can. Cr. Stone	10c	June 30	June 15
Can. Dom. Sugar	37½c	June 2	May 15
Canada Dry	†15c	June 24	June 10
Can. Ind. Alc'l, A B	10c	June 2	May 15
Can. W. & Cable, A	$1	June 15	May 31
Do., B	50c	June 15	May 31
Do., pref.	$1.62½	June 15	May 31
Can. Marconi	4c	June 1	Apr. 15
Cel. of Am., pr. pf.	$1.75	July 1	June 17
Do., part. pref.	†$3.50	June 30	June 17
Corr. Pap. Box, p	$1.75	June 1	May 15
Do.,	$1.75	June 1	May 15
Commonw'th Pet.	2c	June 2	May 10
Can. Wineries	25c	June 12	June 6
Cent. Patricia Gold	4c	June 28	June 14
Do., extra	2c	June 28	June 14
Canadian Car, pref.	44c	July 10	June 21
Can. Bakeries, pfd.	$2	June 1	May 22
Can. For. Invest. p.	■$2	July 1	June 15
Con. Div. S. Sec. p	37½c	June 16	May 31
Crow's Nest Coal	$1.50	June 2	May 9
Can. Gen. Electric	$2	July 1	June 14
Cariboo Gold	4c	July 2	June 4
Do., extra	2c	July 2	June 4
Canada Vinegars	10c	June 2	May 15
Canada Malting	50c	June 14	May 31
Can. Int. Inv. Tr., p	50c	June 2	May 15
Can. Malartic	2c	June 18	June 4
Canada Cycle	30c	June 30	June 14
Do., pref.	$1.25	June 30	June 14
Canada Packers	$1	July 2	June 16
Can. Nor. Power	▲25c	July 25	June 30
Do., pref.	▲$1.75	July 15	June 30
Cap. Wire Cloth, p.	37c	June 2	May 12
Chartered Trust	$1	July 2	June 16
Coniaurum Mines	4c	June 18	June 4
Catelli Food	25c	May 31	May 23
Do., pref.	38c	May 31	May 23
Can. Perm. Mtge.	$2	July 2	June 14
Cred. Fon. Franco	fr 140	June 1	....
Can. West'ghouse	■50c	July 1	June 16
Can. Canners	12½c	July 2	June 14
Do., 1st pref.	25c	July 2	June 14
Do., partic.	5c	July 2	June 14
Do., 2nd pref.	15c	July 2	June 14
Do., partic.	5c	July 2	June 14
C. W. Nat. Gas, p	$1.50	June 2	May 15
David & Frere, A	25c	June 30	June 14
Dominion Coal, pf.	38c	July 2	June 14
Dom. Textile	$1.25	July 2	June 14
Do., pref.	$1.75	July 15	June 30
Dom. Envelope, pf.	$1.75	June 1	May 20
Dom. Foundries, c.	25c	July 2	June 20
Davies Pete.	1c	June 5	May 22
Distill.-Seag., c.	55½c	June 16	June 6
Dom. Foundries, p.	$1.50	June 2	May 20
Dome Mines	■50c	July 21	June 30
Dom. & Ang. Inv.	$2.50	June 2	May 15
Do., pref.	$1.25	June 2	May 15
Dom. Scot. Inv. p.	■$1.05	June 2	May 20
Electrolux	†20c	June 16	May 15
Extension Oil	1½c	May 31	May 20
Falconbridge N.	5c	June 28	June 2
Fanny Farmer	†37½c	July 1	June 14
Foundation Co.	25c	July 18	June 30
Famous Players	25c	June 27	June 12
Ford Motor, A, B	25c	June 21	May 31
Granby Cons.	†15c	June 2	May 17
Gatineau Power	20c	June 30	May 31
Do., 5½% pref.	$1.38	July 1	May 31
Do., 5% pref.	$1.25	July 1	May 31
Grouped Inc. Sh. A	12c	May 31	Coup. 20
Ham. Un. Theat., p	$1.25	June 28	May 31
Hinde & Dauch	12½c	July 2	June 14
Hard Rock Gold	5c	June 21	May 31
Hallnor Mines	15c	June 2	May 10
Hollinger Cons.	5c	June 17	June 3
Do., extra	5c	June 17	June 3
Imp. Tobacco, ord.	10c	June 30	June 6
Indust. Mtge. & Tr.	$1	July 2	June 15
Inspiration Min.	♦2c	May 30	May 1
Inter. Nickel, c.	†50c	June 30	May 31
Inter. Power, pfd.	$1.75	July 2	June 14
Imperial Oil	25c	June 2	May 15
Inter. Petroleum	50c	June 2	May 20
Do., pref	50c	June 2	May 20
Kerr-Addison G.	7c	June 28	June 10
Kelvinator of Can.	25c	June 10	May 27
Louisiana Land	†10c	June 16	June 2
Lang, J. A.	17½	July 2	June 15
Landed Banking	$1	July 2	June 14
Langley's, pref.	50c	June 12	June 3
Loblaw Groc., A, B	25c	June 2	May 10
Do., extra	12½c	June 2	May 10
Lake of W. Mill.	50c	June 2	May 15
Do., pref.	$1.75	June 2	May 15
Laura Secord	20c	June 1	May 15
Lake Shore Mines	■35c	June 16	June 2
Loblaw Groc. Inc.	†20c	June 2	May 15
Macassa Mines	8c	June 16	May 31
MacKinnon St'l, p.	$1.25	June 16	May 31
Malartic Gold	♦5c	Aug. 1	July 2
McK. Red Lake	3c	June 16	June 2
McIntyre Porc.	55½c	June 2	May 1
Monarch Life	6%	July 2	June 17
Montreal Cottons	$1	June 15	May 31
Do., pref.	$1.75	June 15	May 31

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

WEDNESDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fourteenth day of June, 1941.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, 21st May, 1941.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1941, payable 15th July, 1941, to shareholders of record 30th June, 1941.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, May 21st, 1941.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1941, payable 2nd July, 1941, to shareholders of record 14th June, 1941.

By order of the Board.
L. P. WEBSTER,
Secretary.

Montreal, May 21st, 1941.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

Notice is hereby given that an Interim Dividend (No. 143) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Monday, the 30th day of June, 1941, to shareholders of record at the close of business on Friday, the 6th day of June, 1941.

By Order of the Board.
A. L. ROBERTSON,
Secretary.

MONTREAL, P.Q.,
23rd May, 1941.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A DIVIDEND OF ONE PER CENT (1%) has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of June next, to shareholders of record at the close of business on the 31st day of May, 1941.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, May 21st, 1941.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS PER CENT (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of June next, to shareholders of record at the close of business on the 31st day of May, 1941.

By Order of the Board.
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, May 21st, 1941.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Mod. Contain.	20c	July 2	June 20
Do., extra	10c	July 2	June 20
Do., pref.	$1.37½	July 2	June 20
Mtl. C. & D. Sav.	$3	July 2	June 14
Do., extra	$1	July 2	June 14
Montreal Loan	31¼c	June 16	May 31
Nan.-Dun. Util. p	81¼c	June 2	May 15
Northwest. Util. p	$1.50	June 1	May 26
National Biscuit, p.	†$1.75	May 31	May 13
Nat. Grocers, pfd.	37½c	July 1	June 10
N. S. Lt. & Pr., p.	$1.50	June 2	May 15
Noranda Mines	$1	June 16	May 20
Ogilvie Flour, pfd.	$1.75	June 2	May 17
Ottawa Elec.	30c	June 30	June 4
Ottawa L. H. & Pr.	15c	July 1	May 27
Do., pref.	$1.25	July 1	May 27
Placer Develop.	60c	June 30	June 9
Pamour Porc.	6c	June 2	May 10
Pressed Metals	†25c	June 2	May 15
Preston E. Dome	5c	July 15	June 30
Do., extra	2½c	July 15	June 30
Provincial Bank	$1.50	June 2	May 15
Perron Gold	4c	June 21	June 2
Do., extra	1c	June 21	June 2
Pioneer Gold	10c	July 2	May 31
Pickle Crow Gold	10c	June 30	June 14
Power Corp.	■15c	June 30	June 10
Do., pref.	$1.50	July 15	June 30
Do., 2nd pref.	75c	July 15	June 30
Price Bros. pfd.	$1.37½	July 1	June 21
Riverside Silk	50c	July 2	June 10
Royal Bank	$2	June 2	Apr. 30
Regent Knit, pref.	§40c	June 1	May 15
Rolland Paper, p.	$1.50	June 2	May 15
Russell Ind.	20c	June 30	June 14
Do., pref.	$1.75	June 30	June 14
Reliance Grain, p	$1.62½	June 14	May 31
Royalite Oil	50c	June 2	May 16
Sigma Mines	■30c	July 15	June 30
Sylvanite Gold	7c	June 30	May 5
Surf Inlet Cons.	■1c	May 30	May 15
Sherritt Gordon	■5c	June 25	May 23
Sherwin-Wms. pfd.	$1.75	July 2	June 15
Do., arrears	$1.75	July 2	June 15
Siscoe Gold	2c	June 16	May 16
Simon & Sons	15c	June 28	June 14
Do., pref.	$1.75	June 28	June 14
South. Can. Pwr.	■20c	Aug. 15	July 31
Do., pref.	$1.50	July 15	June 20
Stedman Bros.	15c	July 2	June 20
Do., pref.	75c	July 2	June 20
Stuart, D. A., Oil, p.	20c	June 2	May 15
St. Law. Corp. A p	■25c	July 15	June 30
St. Law. Paper, p.	■50c	July 15	June 30
Smith, H. Pap., pf.	$1.50	July 15	June 30
Sudbury Basin	2½c	June 30	June 14
Toronto Elevators, p.	66c	June 7	May 30
Tuckett Tob., pf.	$1.75	July 15	June 30
United Fuel, pf.	75c	July 2	June 20
Un. Gold Eq. st. c.	6c	June 30	June 16
Union Gas	20c	June 14	May 20
Do., extra	20c	June 14	May 20
Upper Can. Mines	4c	May 31	May 15
United Amuse., A, B	40c	May 31	May 15
Ventures	10c	June 25	June 10
Vulcan Br. Pete.	2c	May 30	May 23
Weston, Geo., c.	20c	July 1	June 12
Westminster Paper	25c	May 1	Apr. 15
West. Can. Hydro, p	20c	June 1	May 20
Do., B com.	5c	June 1	May 20
Waite Amulet	10c	June 16	May 20
Walker-Good.	$1	June 16	May 23
Do., pref.	25c	June 16	May 23
Wilsil	25c	July 1	June 14
Wr.-Hargreaves	10c	July 2	May 21
Do., extra	5c	July 2	May 21

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board.
♦Initial.
§40c also payable Sept. 1 and Dec. 1.

DIVIDEND NOTICES

Central Patricia Gold Mines, Limited

DIVIDEND No. 20
EXTRA DIVIDEND No. 12

A dividend of 4c per share, and an extra dividend of 2c per share, making 6c per share in all, have been declared by the Directors on the capital stock of the company, payable the 28th day of June, 1941, to shareholders of record at the close of business on the 14th day of June, 1941.

Dated at Toronto this 26th day of May, 1941.

By order of the Board,
C. R. ELLIOTT,
Ass't Sec.-Treas.

Preston East Dome Mines, Limited

(No Personal Liability)
DIVIDEND No. 7

NOTICE is hereby given that a regular quarterly dividend of five cents per share, plus an extra dividend of two and a half cents per share, making a total of seven and a half cents per share, has been declared on the issued Capital Stock of the Company, payable in Canadian funds, July 15th, 1941, to shareholders of record at the close of business on the 30th day of June, 1941.

By Order of the Board.
L. I. HALL,
Secretary.

Toronto, May 20th, 1941.

Canadian Car & Foundry Company Limited

DIVIDEND NOTICE— PREFERENCE STOCK

Notice is hereby given that a dividend of forty-four cents (44c) per share on the paid up Preference Stock of the Company for the quarter ending June 30th, 1941, has been declared, payable on the 10th day of July, 1941, to Shareholders of record on the 21st day of June, 1941.

By order of the Board,
A. C. BOURNE,
Secretary.

Montreal, May 26th, 1941.

Sudbury Basin Mines Limited

25 King Street West, Toronto
DIVIDEND No. 5

NOTICE is hereby given that a dividend of 2½ cents per share has been declared by the Directors of Sudbury Basin Mines Limited, payable in Canadian funds on June 30th, 1941, to shareholders of record June 14th, 1941.

By order of the Board.
H. WHITTINGHAM,
Secretary-Treasurer.

May 21st, 1941.

Langley's Limited

DIVIDEND NOTICE No. 25

Notice is hereby given that a dividend of .50c per share on the outstanding paid up Seven per cent (7) Cumulative Redeemable Preference Shares of the Company, which was declared by the Board of Directors at a meeting held on February 21, 1941, will be paid on June 12, 1941, to shareholders of record at the close of business on June 3, 1941.

By order of the Board.
P. G. SHAY,
Secretary-Treasurer.

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of twenty-five (25c) per share on the No Par Value Common Stock of the Company has been declared for the Quarter ending June 30, 1941, payable July 18, 1941, to Shareholders of record at the close of business on June 30, 1941.

By Order of the Board.
C. E. GREARSON,
Secretary.

Montreal, May 22, 1941.

PICKLE CROW

GOLD MINES LIMITED
(No Personal Liability)

NOTICE OF DIVIDEND NO. 22

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian funds has been declared, payable on Monday, June 30th, 1941, to shareholders of the company of record at the close of business on Saturday, June 14th, 1941.

By Order of the Board.
ROBERT FENNELL, K.C.
Treasurer.

Toronto, Ont., May 31st, 1941.

Gatineau Power Company

Notice of Dividend on 5% Cumulative Preferred, 5½% Cumulative Preferred and Common Shares

Montreal, Canada
May 15, 1941.

The Board of Directors has declared a quarterly dividend of $1.25 a share on the 5% Cumulative Preferred Shares and $1.38 a share on the 5½% Cumulative Preferred Shares of the Company payable July 1, 1941, to shareholders of said classes of record at the close of business on May 31, 1941; also a quarterly dividend of Twenty cents ($.20) a share on the Common Shares of this Company outstanding at the close of business on May 31, 1941, payable on June 30, 1941, to shareholders of said class of record at the close of business on May 31, 1941.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS,
Secretary.

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending June 30th, 1941, payable July 2nd, 1941, to shareholders of record at the close of business June 16th, 1941.

By Order of the Board,
E. W. McNEILL,
Secretary.

Dated at Toronto,
May 16th, 1941.

Commodities

Commodity markets have continued to work upward, with advances, however, usually small. Four spot market indices showed small advances with Dow-Jones future index slightly lower.

Rubber prices were easier owing partly to the Washington Government requiring increased margins on speculative transactions. Cotton was higher, pending signing by President Roosevelt of the agricultural loan bill providing for greater assistance to growers. Hog prices advanced under strong domestic and export demand with supplies in Canada and the United States limited.

	Latest week	Previous week	Same week last yr.
Cattle	$9.10	$9.25	$8.00
Hogs	12.40	12.15	11.00
Copper, lb.	.12	.12	.11½
Cotton, lb.	.1361	.1333	.1061
Rubber, lb.	.23	.2475	.2050
Silk, lb.	2.94	2.91	2.80½
Sugar, raw, lb.	.0333	.0338	.0275
Wheat, Man. (bu.)	.76⅞	.75	.73⅝
Coffee, lb.	.08	.07½	.05¼
Hides	.17	.16½	.10½
Weekly Indices			
Canada (D.B.S.)	87.2	86.9	81.9
Do., Wood, Gundy	72.0	71.8	63.7
U. S. Labor	84.6	84.0	78.5
Dow Jones (future)	68.90	68.98	53.04
Fishers'	92.4	91.7	83.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Mar.)*	108.6	108.2	104.6
W'sale (Mar.)	85.9	85.2	83.2
U. S. (Feb.)	80.6	80.8	78.7
Gt. Brit. (Dec.)	148.6	146.9	102.8

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

DIVIDEND NOTICES

The Ontario Loan and Debenture Company

216th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 30th June, 1941, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 2nd July, 1941, to Shareholders of record at the close of business on the 16th June, 1941.

By Order of the Board.
T. H. MAIN,
Manager.

London, Ontario, 27th May, 1941.

SIMONS

H. Simon & Sons Limited

Dividend Notice

A Dividend of $1.75 per share has been declared upon the outstanding 7% Cumulative Preferred Stock of H. SIMON & SONS LIMITED, said Dividend to be payable on the 28th day of June, 1941, to shareholders of record at the closing of business on the 14th day of June, 1941; also an Interim Dividend of 15 cents per share has been declared upon the outstanding No Par Value Common Stock of H. SIMON & SONS LIMITED, said Dividend to be payable on the 28th day of June, 1941, to shareholders of record at the closing of business on the 14th day of June, 1941.

By order of the Board,
H. A. SIMON,
Secretary.

Montreal,
May 26th, 1941.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 345
EXTRA DIVIDEND NUMBER 71

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 17th day of June, 1941, to shareholders of record at the close of business on the 3rd day of June, 1941.

Dated the 27th day of May, 1941.

I. McIVOR,
Assistant-Treasurer.

Ottawa Light Heat and Power Company, Limited

The following dividends are payable 1st July, 1941, to Shareholders of record 27th May, 1941.

PREFERRED STOCK: 1¼% (being at the rate of 5% per annum.)

COMMON STOCK: Fifteen Cents (15 cts.) per share on the No Par Value Shares.

The transfer books will not be closed.

By Order of the Board.

F. W. FEE,
Secretary.

OTTAWA, 27th May, 1941.

Canadian Wineries Limited

DIVIDEND

Notice is hereby given that a dividend of twenty-five cents (25c) per share has been declared on the shares of this Company, payable June 12th, 1941, to shareholders of record at the close of business on June 6th, 1941.

By order of the Board.
H. C. UPPER,
Secretary.

Dated at Toronto, May 26th, 1941.

NOTICE

THE CORPORATION OF THE DISTRICT OF BURNABY

Province of British Columbia

"DISTRICT OF BURNABY DEBT REFUNDING ACT, 1940"

NOTICE is hereby given to the owners or holders of outstanding debentures of the District of Burnaby to surrender the same and all the relevant matured and unpaid and all the unmatured coupons on the Thirtieth (30th) day of June, 1941, to the Corporation at the office of the Royal Bank of Canada at New Westminster, British Columbia, in exchange for a refunding debenture or refunding debentures Series "A" equal in total principal amount to the total principal amount of the outstanding debenture or debentures surrendered for exchange.

THIS NOTICE is given pursuant to the "District of Burnaby Debt Refunding Act, 1940."

DATED at Burnaby, B.C., this 23rd day of May, A.D. 1941.

R. BOLTON,
Treasurer.

Week in Wheat

See Elevator Room For All Old Crops

But Farmers Urged to Speed Up Deliveries — Recent Exports Relieve Congestion — Will Build No More Elevators

From Our Own Correspondent

WINNIPEG.—The Canadian Wheat Board is issuing emphatic warnings to farmers to get old crop wheat delivered as rapidly as possible.

It is believed now, after recent heavy exports, that there is going to be sufficient elevator space to take care of all deliveries. Nevertheless farmers may be inconvenienced by elevator congestion if they do not take advantage of opportunities as they occur.

On August 1 next, the Wheat Board announces, delivery quotas for the new crop will commence to be effective, and on that date the basic Wheat Board initial price will revert to 70 cents a bushel. At present storage charges are added to the basic price.

No More Elevators

Expectation that elevator space will be sufficient is reinforced by the action of two other government agencies. The Board of Grain Commissioners announces that no new premises will be licensed for grain storage, in addition to those on which construction has already begun. The Director of Priorities announces that no licenses will be issued for construction of elevator annexes not already under way.

A certain number of annexes to country elevators are still under construction, and will be completed, bringing the total capacity for storage provided in this type of structure to over 80 million bushels. Storage capacity for some 50 million bushels of grain is under construction at the head of the lakes. Perhaps half of this will be ready to receive grain by July 31, but the remainder, even if not completed at that time, will also afford relief to country elevators. The railways, with the prospect ahead of additional terminal storage, will be able to load grain out of country elevators, either to take care of old crop, or to make room for new crop deliveries.

• • •

Use U. S. Elevators

During the current crop year extensive use has been made of United States elevators for storage of Canadian wheat. It is unlikely that a corresponding amount of American storage space can be so employed during the coming season, on account of the great quantities of American grain which will have to be accommodated. Already the U. S. Government is studying plans for increasing accommodation for grain. The year end carry-over will be heavy, and is likely to be materially added to during the approaching crop year.

Washington's plan for assisting farmers by a system of crop loans on properly stored grain adds materially to the needs for public storage. Although nominally a loan plan, the American system really amounts to an option to sell to the Government at a fixed minimum price, since the loans can be liquidated, and the farmers' obligations completely discharged, by surrender of the security.

• • •

U. S. Acreage

The United States Government is establishing the basic wheat acreage of the country for the next crop year at 55 million acres, the minimum allowable under existing legislation, and seven million acres less than the area established for the current year. There is no obligation upon farmers to keep within their quotas of such an acreage, and in recent years a large number of farmers have not done so. But only those who comply with the acreage restriction basis are eligible for certain benefits likely to increase their incomes, including both crop loans and price adjustment payments. These benefits are likely to be more attractive during the coming year than in the past, and there is consequently a likelihood that the country's wheat acreage will come fairly near to fitting into the established plan.

• • •

Total Canadian Acreage

Western wheat seeding has been completed. Total of actual acreage is still a matter of considerable doubt. The Government's wheat acreage reduction plans were based on a reduction of 35% from the 28.5 million acres put into wheat last year, and Parliament voted $35 millions to be distributed in bonuses for transferring wheat acreage to other uses.

A short time ago the best estimate that could be made, based on tabulation of farmers' statements as to their seeding plans, indicated that the reduction would be about 25%, leaving in wheat something over 21 million acres. Seeding plans, however, were upset by unusually wet weather over a large area. Moreover, as farmers became more familiar with the Government scheme they became somewhat more impressed with the value of the bonus payments. For these reasons it will not be surprising if the wheat acreage of western Canada is finally recorded at less than 20 million acres.

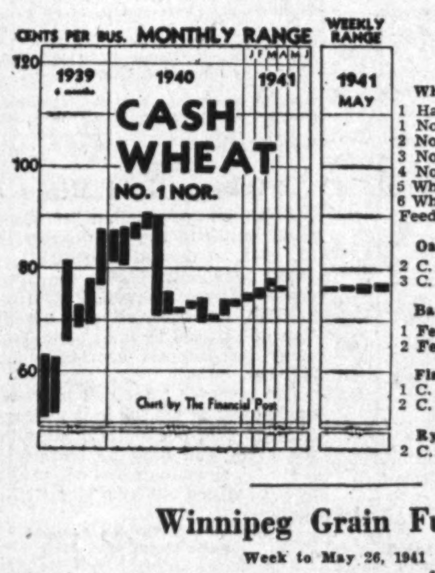
The first exact computation will be made when figures are compiled from the sworn statements, which will be filed by practically every farmer in western Canada in connection with the bonus plan. These are supposed to be in the hands of municipal secretaries by May 31.

• • •

Get Money Early

One important point in connection with western agricultural income is that a large part of the $35 millions allotted for bonus payments will be payable to farmers during the summer, well ahead of the time when they usually receive crop income. At the same time a much larger wheat income is being distributed in the West than ordinarily accrues at this season of the year, as farmers continue to dispose of old crop wheat. More than half a million dollars weekly have been so distributed during recent weeks, and the amount is likely to increase considerably during June and July as farmers dispose of the remainder of their old crop wheat.

Wheat Prices



Cash Quotations

Wheat	For Week May 26 High	Low	Prev. Week High	Low
1 Hard	.76⅞	.75⅞	.76⅛	.75
1 Nor.	.76⅞	.75⅞	.76⅛	.75
2 Nor.	.74¼	.73⅜	.73⅜	.73⅜
3 Nor.	.71⅛	.70⅜	.71½	.71¼
4 Nor.	.70	.69⅛	.69¾	.68⅞
5 Wheat	.71	.65⅞	.72	.68⅞
6 Wheat	.70	.64⅞	.71	.67⅞
Feed	.65½	.63⅞	.65⅝	.65⅜
Oats:				
2 C. W.	.37⅝	.37⅛	.37¾	.36⅞
3 C. W.	.34⅝	.34⅛	.37	.34⅛
Barley:				
1 Feed	.47½	.46	.48⅜	.46⅜
2 Feed	.45¾	.44	.46⅝	.44⅜
Flax:				
1 C. W.	1.55	1.50¼	1.55	1.49
2 C. W.	1.51	1.46¼	1.51	1.45
Rye:				
2 C. W.	.63½	.59⅝	.66⅝	.64¾

Winnipeg Grain Futures

Week to May 26, 1941

Crop year from Aug. 1, 1940 High	Low		Open May 20	High for week	Low for week	Close May 26	Close year ago
		Wheat					
.79¾	.65⅞	May	.76⅛	.76⅛	.75⅞	.75⅞	.73⅝
.81⅝	.77½	July	.77½	.77½	.77½	.77½	.74¾
		Oats					
.38⅝	.25⅝	May	.37	.37⅛	.36⅞	.37⅛	.34⅛
.37⅛	.29½	July	.36	.36⅜	.35½	.35⅝	.32⅜
.34⅛	.30⅜	Oct.	.33¾	.34⅛	.33½	.33⅞	.31
		Barley					
.53⅝	.33⅜	May	.49⅞	.51¼	.49⅞	.50⅛	.37¾
.49⅜	.39⅞	July	.48⅜	.48¾	.47⅞	.48⅜	.38⅜
.46⅛	.41⅞	Oct.	.45¼	.45⅝	.44⅝	.44⅞	.38⅜
		Flax					
1.93¾	1.16	May	1.52½	1.55½	1.50¼	1.50½	1.54
1.92⅝	1.29½	July	1.53	1.57	1.51	1.51⅝	1.57
1.79¾	1.44¾	Oct.	1.52¾	1.54	1.49	1.49½	1.60½
		Rye					
.66⅝	.44¼	May	.63½	.63½	.59⅜	.59⅜	.48¾
.64⅛	.47⅞	July	.61⅜	.62	.58¾	.59¼	.49¼
.61⅝	.50⅛	Oct.	.57¼	.58	.54½	.55½	.48

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Alberta Bank Bill To Be Dropped

The Banking and Commerce Committee of the House of Commons has decided against further consideration of the Alberta Bank bill. Officials of the Department of Justice took the ground that the bill giving power to the Provincial Government to incorporate a bank was beyond the powers of the Dominion. Accordingly it is understood the bill will be dropped.

It was suggested the Alberta Government refer the bill to the Supreme Court to obtain a ruling on its validity.

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Modern Power and Engineering Contributes to Canada's War Effort

It was Winston Churchill who said: "The front line runs through the factories." The phrase aptly describes the part that industry is taking in Canada's war effort. Never before has industry shared so extensively in the winning of a war.

Back of the assembly lines in Canada's great war machine are power plants, the function of which is to keep the wheels of industry turning. When power fails, lighting, water supply, gas, and all vital services fail. When power fails production ceases.

Modern Power and Engineering is the only paper covering the power field in Canada. For thirty-five years it has given leadership in problems connected with power services, giving guidance of a practical nature to men engaged in those services.

Power and more power is required today to meet the demands of industry. The need for continual modernization in power plants is very evident since the beginning of war. Modern Power and Engineering advocates modernization. Articles which demonstrate enormous savings through the modernization of power plants are constantly featured.

Many of the thousands of stationary and professional engineers in Canada have been called to active service in the navy, army, air force and other technical departments. Their places in industry are being taken by less experienced men, men who must be made acquainted with the newest developments in equipment for power and related services. Here again, Modern Power and Engineering serves a need by supplying practical and technical information in language and terms more easily absorbed than those of the average text book.

Articles appearing in Modern Power and Engineering are written by experts in the engineering field, including university professors, consulting engineers, chief executive engineers. Articles are geared to the pressing need of present-day all-out production.

Modern Power and Engineering offers an advisory service to engineers, and is frequently called upon for advice and help in technical matters pertaining to power and related services.

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GEARED TO "ALL OUT" WAR EFFORT

Week in Mining

Greater Metal Output May Be Survey Result

Washington Looks to Canada for Raw Materials to Complete Huge Armament Programme — Copper, Lead and Zinc Needed

An attempt to secure greater raw material production from Canada—particularly of metals—may follow the survey of United States-Canadian raw materials now being undertaken by a joint commission. This seems foreshadowed by despatches from Washington which mention metals as being badly needed.

Peacetime uses of metals are already being sacrificed in the United States so war requirements may be filled and the need for further metal there is undoubtedly pressing. Aluminum is a key item which the United States hopes to get from Canada. But zinc, lead and copper ore are other metals that the United States hopes to get from this country. If this country is to increase present output of any of these metals, further expansion of capacity would appear not only possible but probable.

* * *

Lake Shore Earnings

Reduction in the Lake Shore dividend from 50 to 35 cents a quarter may not reflect any serious change in earnings, some quarters report. Action of the company's board of directors is stated to have been taken in the belief that the increase in the excess profits tax from 12 to 22% would apply to the full fiscal year rather than the calendar year. Under the revised tax the company will be liable for only six months of its fiscal year, it is pointed out.

If the company should not have to pay the provincial corporation tax, it is suggested that earnings for the fiscal year would be equal to payment of dividends at the rate of $2 a share per year. However, there has been no intimation yet that the Ontario Government will comply with the request of Finance Minister Ilsley to leave the corporation tax field to the Dominion alone.

* * *

J. T. Kearns Passes

A pioneer of Canadian mining, J. T. Kearns passed away this week at the age of 84. Officially, Mr. Kearns was just secretary-treasurer of Chesterville Larder Lake Gold Mining Co. But behind the scenes Mr. Kearns was responsible for the carrying on of a large part of the company's business right up to his death, although his son, L. J. Kearns, shared responsibilities as president.

Persistence was rewarded with success in the case of J. T. Kearns. Although the Chesterville property was staked in 1906, it lay dormant for many years, being reopened only in 1936. When dull markets made financing difficult, a bank loan was arranged later for mill construction. Mr. Kearns lived to see the company pay off indebtedness and commence regular dividends.

* * *

Dividend Record

Despite low fixed metal prices, rising costs and sharply higher taxes, Canadian mines are expected to set a new record for dividend distributions in the first half of 1941.

With Hudson Bay's usual distribution for June, dividend total for the half year will be boosted to a record without any allowance whatever for any other mines which may happen to announce distributions for payment in the first six months of the year. Dividends for the half year will be close to $50 millions, it is indicated.

* * *

Unusual Exploration

If you want information about your property, don't carry out exploration on it but on your neighbor's property. This was the unusual advice one Porcupine company's consulting engineer gave officials. Here is how it happened.

An ore zone was known to pass through the company's property but unfortunately it came in on a dip from a neighboring property and only entered the company's property at an estimated depth of over 1,000 ft. To explore the ore zone on the company's property from surface would mean heavy drilling expense as each hole would have to be well over 1,000 ft. long.

What the company finally did was to take the advice of its consulting engineer. Diamond drilling was done on the upper part of the zone located on their neighbor's property to the south on the theory that if ore values were found there exploration to depth on their own property would be warranted. So far no commercial deposit has been located, but possibilities are not exhausted.

* * *

North American Tungsten

North America is beginning to develop tungsten resources and dependence on Oriental supplies may soon not be so great. Tungsten concentrates are scheduled to start flowing from Slave Lake Gold Mines to give Canada its first regular producer of this war metal essential in the production of tool steel.

Besides Slave Lake Gold Mines, however, operation of a 100-ton tungsten mill is scheduled to start in the near future at Salmon River just over the British Columbia boundary in Alaska at the Riverside mine. Production of $60,000 worth of tungsten is to be made monthly through the port of Prince Rupert to the United States. British Columbia mining men who have been convinced that British Columbia has good tungsten possibilities will undoubtedly be encouraged by success so close at hand in Alaska.

Lapa North Zone Opens Good Ore

Lateral exploration of the new east ore zone at Lapa Cadillac Gold Mines has been resulting in the opening up of considerable better-than-average grade ore. This work going forward at the 290-ft. horizon has opened up 225 ft. of ore to date with part of it slashed out. Over 1,000 tons of ore from the drift sent to the mill averaged $9 a ton.

Width of the first section appears to be at least 8 ft. with grade running $7 to $9 per ton. Just east of the central section three holes drilled into the north wall showed ore for a length of about 50 ft. with values as follows: 11.4 ft. running $12.70 a ton; 17.1 ft. averaging $6.93 a ton; and 14.5 ft. averaging $7.31 a ton. Another hole still further east cut 4 ft. of $10.40 ore 12 ft. north of the drift. A hole drilled south from the same location gave the following adjacent intersections: 12.1 ft. of $9.24; 2.2 ft. of $2.70; 2.3 ft. of $8.08; 8 ft. not assayed; and 13.3 ft. averaging $5.39 a ton.

Another Shoot to South

About 80 ft. south of this ore, the 218 east drift is opening up an ore body which appears to be in two sections. Assays of $22.33 over 3 ft. and $20 over 5.7 ft. were secured in flat drilling while a hole put through 80 ft. below the 290-ft. level gave the following consecutive assays: 2.82 oz. over 0.9 ft.; 0.82 oz. over 0.3 ft.; lost core, 0.4 ft.; 2.13 oz. for 0.19 ft.; 0.02 oz. for 1.9 ft.; core not run, 4.5 ft.; 0.03 oz., for 2 ft.; core not run, 1.6 ft.; 0.27 oz. for 1.4 ft.; and 0.10 oz. for 2 ft.

Two other favorable intersections of $7.70 over 14 ft. and $8.31 over 5.7 ft. lie ahead of present work and it is thought they may represent additional ore bodies.

Bonetal Shares Toronto Listing

Porcupine Mine Shares Are Called For Trading This Week

Shares of Bonetal Gold Mines were called for trading on the Toronto Stock Exchange Wednesday of this week with ticker abbreviation BON. Listing covers 2,327,173 issued shares of an authorized capital of 3 million shares.

Information supplied the Toronto Stock Exchange reveals that $68,300 was received by the company in payment of 227,666 underwritten shares during May. An additional 119,000 shares are underwritten at 30 cents a share with options outstanding on 236,666 shares at the same price. A total of $250,630 has been received for 1,327,173 shares sold up to April 19, 1941.

Has Optioned Claim

Besides its main property of 313 acres adjoining Hallnor Mines and Broulan Porcupine on the west, an option has been taken on a claim immediately to the west. The east Porcupine ore structure is stated to have a length of 2,200 ft. on the company's property.

Drilling has outlined two ore zones. The No. 1 zone, which appears to be the extension of the Hallnor zone, has a length of 640 ft. Based on underground results at Hallnor and Broulan, it is anticipated the zone will produce commercial ore. The No. 2 zone, outlined for a length of 1,150 ft. with irregular stringers over widths from 50 to 240 ft., is located approximately 200 ft. north of the No. 1 zone.

Much Visible Gold

Visible gold was observed in more than 30 places in the drill cores but due to irregular values, no estimate of tonnage has been made. The most westerly hole returned a core length of 24.5 ft. averaging 0.19 oz. gold with three showings of visible gold.

The shaft has been completed to 570 ft., with levels at 175, 275, 400 and 512 ft. depth. Crosscuts are being run south on all four levels and drifts will be put out east and west on each level to explore the ore zones. The drifts on the second and fourth levels will be driven in or adjacent to the No. 1 ore zone and the drifts on the first and third levels will be driven to the more important intersections in the No. 2 ore zone.

To Use Broulan Mill

The company is in a unique position as it will be possible to bring the mine to production through an arrangement to mill ore in the Broulan mill including ore obtained during development. Production can be achieved on such tonnage basis as development results may warrant.

Directors of the company are: Bert W. Lang, president; W. F. James, vice-president; F. J. Bowley, G. B. Webster and Frank Lawson. T. C. Newman is secretary-treasurer with W. F. Brown mine manager. James and Buffam are consultants.

Camrock Drilling Now Under Way

Surface drilling is now under way at Camrock Mines, adjoining Jason Mines, in northwestern Ontario. This work will test the importance of several veins located in surface work returning values up to $28 to $30 a ton, it is reported. Surface exploration is also continuing.

Testing of the Camrock property at depth is planned by flat diamond drilling from the Jason workings. It is expected that one hole will be put into the Camrock property for a distance of 1,000 feet. Main exploration of the property is expected to be carried out from Jason. Present drilling contract is for 3,000 feet.

Equipment Delay Hits Slave Lake

All Equipment Now Installed, However, and Production Continuous

When flotation equipment failed to arrive in time for delivery by the last boat before freeze-up last year, Slave Lake Gold Mines was only able to place the amalgamation end of its mill in operation, the company states in a progress report. Tungsten and copper-gold concentrates had to be impounded with only part of the gold recovered.

Flotation equipment finally reached the property in March and is now in operation. A total of 2,500 tons of tailings is estimated to contain $30,000 in gold as well as copper and tungsten values. Tailings will be re-treated this summer.

Extraction Better Now

With only amalgamation in operation, recovery did not exceed 45% but a much higher extraction is now being made.

Between Feb. 25 and April 12, 752.175 oz. of gold were shipped to the mint with returns totalling $27,504. Bullion shipments will be recommended when flying starts again and copper-gold and tungsten concentrates will be shipped out by boat. It is expected that revenue from concentrates will be largely profit as bullion output is expected to take care of operating costs. Costs in February and March were $11.97 and $12.42 per ton, respectively.

Mine Two Levels

All ore to date has been drawn from the 125 and 200-ft. levels. New development to the end of March included 250 ft. of drifting as well as raising from the 125 and 200-ft. levels. Over 200 ft. of drifting was in ore averaging 0.8 oz. gold per ton across an average width of 30 inches. Drifting will be carried east on the 125-ft. level and both east and west on the 200-ft. level where further ore is indicated. Opening of the 325 and 425-ft. levels is also planned.

A complete laboratory and assay plant have been installed.

Week in Oils

Higher Crude Price?

From Our Own Correspondent

CALGARY. — Increased pressure on the Dominion Oil Controller by the Alberta Petroleum Association and individual oil operators for an increase in the posted field price for Turner Valley crude oil can be expected in the immediate future.

The case for increased crude prices in Alberta was considerably strengthened last week, say oilmen, by the announcement that three major American companies had posted a 10 cent per barrel increase for oil they purchase in Texas, Oklahoma, Kansas, Louisiana, New Mexico and Illinois, and that most other major companies were expected to follow suit.

The upward trend in crude oil prices has been apparent in the United States for several months, and the latest increase spreads boosted prices over all of the great American oil states. Increased demands and increased labor and material costs are given credit for the upward price trend.

* * *

Price Situation Here

Prior to the outbreak of the current war, Alberta crude prices were tied to those prevailing in the U.S. As Turner Valley production expanded prices were adjusted downward to meet the competition of mid-continent and Montana oil in the Alberta field's broadening prairie market.

Following the outbreak of the war, however, the situation changed. Rising exchange rates and the imposition of a 10% imports tax abruptly ended the tie between Alberta and American crude prices by substantially increasing the cost of landing U.S. oil in the Canadian west. The recent price boosts in the U.S. still further increase the competitive differential between Alberta and U.S. oil in the Canadian prairie market.

* * *

Take Different Stands

Many oilmen hold that the normal laws of economics should govern the Alberta crude price, and that the value—as was the case prior to the war—should be its competitive value in the current marketing area. On this basis Turner Valley prices could be upped 30 to 40 cents per bbl., according to oilmen, and the field could still compete successfully against U.S. oil in the prairie market.

The attitude of Oil Controller Cottrelle has apparently been, however, that the price differential has been entirely due to the war, and that the oil producer should not benefit nor the ultimate consumer suffer through an upward revision of Alberta crude prices.

Now strengthening the oilmen's stand, however, is the fact that crude oil prices in the U.S. have risen to offset increased labor and material costs. Development and operating costs in Alberta, they point out, have also risen substantially in Alberta in recent months, due to increased drilling depths in Turner Valley, sharp increases in the cost of drilling equipment, and increased labor costs.

* * *

Cite Costs For Price Boost

Even granting that oil producers should not benefit from the rise in exchange rates and the imports tax on imported oil, practically all oilmen agree that a price increase to offset their increased development and operating costs is due.

In addition to this argument, the representations of oilmen to Canada's Oil Controller will stress the fact that no other single factor could provide a greater stimulus to Canadian oilfield development than a substantial boost in the price of crude. It will be strongly pointed out that Alberta cannot hope to increase or even sustain production at its current level for more than a year or two unless development of new oilfields is substantially increased.

* * *

Major Reaches Grit Bed

Major Oil Investments No. 3, vital North Turner Valley Extension test, has confirmed the grit bed marker at 4,150 ft., 150 ft. shallower than the estimate in geologist Sanderson's original report on the well-site. Drilling is now proceeding below 4,350 ft. Dr. Sanderson's original estimate of depth to the Madison limestone at this well was 6,500 ft. The well is located a mile north and quarter of a mile west of Alberta Oil Incomes No. 2, the field's present most northerly producer, which topped the lime at 8,409 ft.

Meanwhile, Major Oil Investments No. 1, north end test which drilled into a fault and failed to reach the lower porous section of the lime, has developed into a substantial producer. The 100-foot upper porous section was given two 500-gallon acid treatments last week and, on a 13-hour run through the tubing, averaged about 40 bbls. per hour last weekend. The well was then temporarily shut in to permit clearing of loaded storage tankage.

* * *

Seven Wells Testing

Including Major No. 1, seven recently completed wells are now on test in Turner Valley. A summary of the wells, which are in various stages of testing, shows:

Twin Valley Royalties No. 2, newly completed, 484 ft. in the lime at 8,470 ft. Drill fluid now being cleared preparatory to initial acidizing.

Atlas Royalties No. 1, newly completed, 482 ft. in the lime at 8,070 ft. Initial acid treatment of 500 gallons applied last weekend, and well clearing at last report. Initial performance indicates a substantial producer.

Royalite No. 55, newly completed, 464 ft. in the lime at 7,643 ft. Well given initial acid treatment of 1,000 gallons, cleared, and produced with aid of booster gas at between 24 and 30 bbls. hourly. Further acid now being applied.

Lion-Sunray No. 1, which completed drilling recently at 8,267 ft. 451 ft. in the lime, is still shut in, initial flow test and acidizing waiting a final settlement of the long-standing dispute between Lion Oils and Sunray Petroleums. The dispute was before the courts this week.

Northwest Hudson Bay No. 5, with acidizing completed, is now being operated at approx. 500 bbls. per day pending determination of allowable.

Southwest No. 5, with acidizing not yet completed, is temporarily held up while the crew attempts to recover a lost packer. The well is at present capable of an open flow of around 250 bbls. per day.

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La Luz Milling At Higher Rate

But Profits Lower Than "Exceptional" Last Quarter of 1940

With 92,737 tons of ore put through the mill, La Luz Mines treated an average of 1,030 tons daily in the first quarter of 1941 compared with a total of 79,845 tons or a daily average of 868 tons in the Dec., 1940, quarter. In the third quarter of 1940, only 53,077 tons of ore had been handled.

Reflecting treatment of a lower average grade of ore, net profit for the three months ended March. 31, 1941, was $237,144 U. S. funds against $327,151 in the preceding quarter when results were described as "quite exceptional."

Production Lower

Value of bullion produced in the March quarter was $579,875 against $644,298 for the December quarter.

With the increased tonnage of ore milled, operating costs rose from $215,676 in the December quarter to $239,552 in the March, 1941, quarter. Reserve for depreciation and deferred charges was also higher at $92,194 against $89,616.

Ventures and Sudbury Basin Mines have taken the major share in financing La Luz Mines which is operating in Nicaragua.

Naybob's Shaft Down 1,075 Ft.

New Head Frame Installed Allows Use of 3-ton Capacity Skips

From Our Own Correspondent

TIMMINS.—Sinking of the shaft at Naybob Gold Mines from 825 to 1,500 ft. has now reached the 1,075-ft. horizon with a station being cut at that level. Slashing out the shaft from two to three compartments down to 700 ft. and completion of the shaft to its objective is expected to be finished in another four months.

Development of the 950 and 1,075-ft. levels is anticipated in the third quarter of the year. Strength and improved structures on the 550 and 700-ft. levels suggests favorable ore disclosures at still greater depth, it is stated. Over 400 tons of ore to the vertical foot is now indicated for the main ore body at the bottom levels.

One Year's Reserves

Ore reserves at the first of the year were sufficient for one year's milling, including 33,000 tons of broken ore.

Shaft preparation has meant some curtailment of lateral exploration but interesting drill intersections have been made south and west of the main shear zone. This area where the porphyry intrusives occur will be explored when facilities permit.

Present mill capacity of 175 tons could be stepped up to 400 tons at nominal capital expenditure. If ore bodies are found to stand up on the new lower levels, to be opened up following shaft sinking, consideration will be given to increasing mill capacity next year.

Production and operating profits since the beginning of the current fiscal year have been as follows:

Month:	Output $	Operat. profit $	Profit per ton $
Sept., 1940	43,060	16,979	3.85
Oct., 1940	45,754	17,164	3.93
Nov., 1940	44,922	21,012	4.70
Dec., 1940	50,915	25,549	5.02
Jan., 1941	50,717	25,121	5.04
Feb., 1941	49,649	22,864	5.17
Mar., 1941	49,191	25,592	5.61
April, 1941	50,697	23,614	4.72

At the first of the year, working capital was around $275,000 or over 5 cents a share on 4,570,509 outstanding shares.

Coniaurum Work Opens New Ore

Numerous Zones Responding in Broad Development Programme

From Our Own Correspondent

TIMMINS.—Aggressive exploration at Coniaurum Mines is meeting with favorable ore developments in several sections of the property.

In the western end of the mine, a zone under development from No. 3 winze has been giving important results. On the 2,450-ft. level, No. 37 vein has been drifted on for 480 ft. averaging $10.50 to $12.25 a ton with gold at $35. Drilling suggests parallel ore. A raise has been driven in ore to the 2,325-ft. level which is now being developed. A sub-level is also being established at the 2,875-ft. horizon.

New Body in Goldale Winze

From the Goldale No. 2 winze, a new ore body—No. 30—has been opened up on the 4,250-ft. level for 175 ft. grading $9.63 a ton across 8 ft. Parallel structure has been located by drilling 75 ft. north.

To the west on the 400-ft. level, diamond drilling north has intersected widths of up to 20 ft. of commercial grade. Further lateral work is being done with exploration at depth on the 1,200-ft. level being considered.

In the main shaft area, eastwards, No. 51 vein has been opened up for 148 ft. east of the shaft on the 5,000-ft. level grading $14 across 6 ft. A raise has been carried up 70 ft. with an improvement in grade. Work is to be started at once on the 4,750-ft. level. A crosscut is being carried to the east to explore the porphyry mass.

Consideration is now being given to deepening the sub-shaft to establish new levels at the 5,250 and 5,500-ft. horizons. Drilling to depth 400 ft. west of the shaft has intersected favorable geological structure.

Mining Company Reports

Castle Trethewey

Due chiefly to higher dividend income, earnings of Castle Trethewey Mines increased approximately $15,000 to $115,486 in the year ended Mar. 31, 1941. This was equivalent to 4.3 cents a share, 3.7 cents the previous year.

Advances to Omega Gold Mines were reduced $125,000 to $275,000 during the year. Taking securities at market value, which was greater than cost, working capital was $2,495,824 as at Mar. 31, 1941, compared with $2,460,727 at the end of the previous fiscal year. No activity was carried on at the property.

Income and Surplus Account
Years Ended Mar. 31

	1941 $	1940 $
Dividends & exchange	139,679	120,364
Sundry revenue	1,032	1,583
Less: Div. taxes	4,453	4,708
	136,258	117,239
Less: Mine expenses..	1,305	1,440
Admin. expenses ..	12,937	12,783
Insurance	1,274	1,508
Taxes and rentals ..	5,256	1,175
Net earnings	115,486	100,333
Add: Prev. surplus ..	945,109	844,168
Adjustments	......	608
Less: Tax adjustment	402	......
Surplus forward*	1,060,193	945,109

*Before depreciation on plant and buildings.

Earnings per Share and Dividend Record:

Earned	$0.043	$0.037
None paid.		
No. of Shs. Outstand. .	2,709,002	2,709,002
None paid.		

Working Capital

	$	$
Current assets	1,228,633	975,596
Current liabilities	8,294	6,394
Working capital*	1,220,339	969,202

*Taking securities at market value, working capital would be increased by $1,275,485 in 1941 and $1,491,525 in 1940.

Cournor Mining

Engineers of Cournor Mining Co. have recommended rapid development of ore zones in the south and curtailment of north Beaufor development, President Gustave H. Rainville states in the annual report.

It is expected that within a short time, sufficient ore will be developed in the new area from the Cournor 650-ft. level so that no ore will have to be mined from the Beaufor shaft to mill at capacity.

Net loss of $58,286 was experienced in the year ended Jan. 31, 1941, against a $3,208 profit the previous year. There was an excess of current liabilities over current assets of $10,874 at Jan. 31, 1941.

Income and Deficit Account
Years Ended Jan. 31

	1941 $	†1940 $
Metal recoveries	619,308	557,296
Less: Marketing	7,515	8,132
Net production	611,793	549,164
Less: Development ..	213,914	140,521
Mining	270,341	219,497
Milling	97,443	100,904
Taxes, etc.	3,155	2,410
Engineer's fee	2,100	3,600
Operat. profit	24,840	82,232
Less: Develop. w/o ...	38,163	35,003
Depreciation	30,937	31,892
Interest	2,607	5,181
Gen. & admin. exp.	11,419	6,948
Net loss	58,286	*3,208
Add: Prev. loss	71,704	74,912
Deficit forward	129,990	71,704

*Profit. †13 months ended Jan. 31, 1940.

No. of Shs. Outstand.	3,500,000	3,500,000

Working Capital

	$	$
Current assets	110,487	131,746
Current liabilities	121,361	115,718
Working capital	‡10,874	16,028

‡Excess of current liabilities over current assets.

Delnite Mines

Outstanding features of the annual report of Delnite Mines for the nine months ended Dec. 31, 1940, are:

Opening of 2,200 ft. of new ore averaging 0.196 oz. gold over 7 ft. versus 1,644 ft. of 0.166 oz. grade over 5.8 ft. the previous year.

An increase in milling rate to 435 tons daily from a 315-ton average the previous fiscal year.

Net profits of $79,573 or 2.7 cents a share for the nine months against $174,799 or 5.9 cents the preceding fiscal year.

An increase in working capital from $78,877 at Mar. 31, 1940, to $126,084 at Dec. 31, 1940.

Increase in mill capacity followed development of larger ore reserves at the lower levels. It is expected with a few minor changes, a further modest increase in tonnage will be possible. Development on the lower levels is stated to have progressed successfully with an average grade indicated somewhat higher in value than on the upper levels. The change to flotation has been giving a higher mill extraction.

Income and Surplus Account

	9 Mos. ended Dec. 31 1940 $	Year ended Mar. 31 1940 $
Production	665,391	818,313
Less: Oper. exps.	455,343	461,786
Admin. expenses ..		23,659
Operat. profit	210,048	332,868
Less: Depreciation ...	49,094	58,027
Taxes	21,988	14,610
Development w/o ..	49,671	57,461
Shaft sink. w/o	10,174	......
Int. & deb. disc. ...	*452	27,971
Net profit	79,573	174,799
Less: Dividends	89,363	89,363
Surplus for year	†9,790	85,436
Add: Prev. surplus ..	203,887	118,451
Less: Tax adjust.	4,038	......
Surplus forward	190,059	203,887

†Deficit. *Credit.

Earnings per Share and Dividend Record:

Earned	$0.027	$0.059
Paid	0.03	0.03
No. of Shs. Outstand.	2,978,767	2,978,767

Working Capital

	$	$
Current assets	200,896	237,302
Current liabilities	74,812	158,425
Working capital	126,084	78,877

Sylvanite Gold

With $118,195 received in dividends from its subsidiary Delnite Mines, Sylvanite Gold Mines realized a profit of $872,244 equal to 26 cents a share in the nine months ended Dec. 31, 1940, compared with 34 cents a share for the full previous fiscal year.

While no estimate is made of ore reserves, Edward L. Koons, president, and Welles V. Moot, managing director, report "It will be particularly interesting to shareholders to know that again during this period new ore developed exceeded the amount of ore milled and that approximately two thirds of the ore milled came from above the 1,250-ft. level although workings have been extended to 3,600 ft. for several years."

Most important development work is stated to have been preparation for sinking an internal development shaft from 3,150 to 5,100 ft. This shaft is expected to be completed the latter part of next year.

Income and Surplus Account

	9 Mos. ended Dec. 31 1940 $	Year ended Mar. 31 1940 $
Bullion production ...	2,006,973	2,561,332
Less: Marketing	29,527	28,326
Net production	1,977,446	2,533,006
Less: Operat. exps. ..	817,005	1,085,630
Admin. expenses ...	66,035	72,085
Net oper. earnings ...	1,094,406	1,375,291
Add: Interest, etc.	3,403	20,831
Delnite dividends ..	118,195	......
Bond profit	125	......
Total net revenue	1,216,129	1,396,122
Less: Depreciation ...	68,015	66,063
Taxes	275,870	219,005
Net profit	872,244	1,111,054
Less: Dividends	659,900	824,875
Exchange	72,317	53,203
Surplus for period ...	140,027	232,976
Add: Prev. surplus ..	1,251,473	1,041,211
Sale of equip.	18,399	......
Less: E. P. tax	33,561	......
Explorat. w/o	29,248	22,714
Surplus forward	1,347,090	1,251,473

Earnings per Share and Dividend Record:

Earned	$0.26	$0.34
Paid	0.20	0.25
No. of Shs. Outstand.	3,299,500	3,299,500

Working Capital

	$	$
Current assets	663,775	596,809
Current liabilities	376,959	333,142
Working capital	286,816	263,667

Omega Gold Mines

Although production of Omega Gold Mines in the year ended Mar. 31, 1941, amounted to $876,881, net profit was only $9,093, the annual report shows. Operating profits of $131,301, however, allowed a reduction of $125,000 in the Castle Trethewey non-interest bearing loan to $275,000.

Ore reserves remained practically unchanged at 485,000 tons averaging 0.157 oz. gold per ton. Calculation of the grade can only be tentative, it is stated, since marginal ore reserves may be wiped out by a slight rise in costs.

Income and Surplus Account
Years Ended Mar. 31

	1941 $	1940 $
Net metal production.	876,881	879,631
Less: Development ...	112,848	119,688
Mining	412,936	404,265
Milling	210,724	208,578
Admin. exps. (net).	5,516	5,293
Taxes	3,556	6,431
Operating profit	131,301	135,376
Less: Depreciation	122,208	81,234
Net profit	9,093	54,143
Add: Prev surplus ..	152,289	98,146
Less: Taxes	909	......
Surplus forward	160,473	152,289

Earnings per Share and Dividend Record:

Earned	$0.002	$0.011
None paid.		
No. of Shs. Outstand.	5,000,000	5,000,000

Working Capital

	$	$
Current assets	176,452	187,757
Current liabilities	48,756	60,313
Working capital	127,696	127,444

Madsen Red Lake

Although tonnage of ore milled remained practically unchanged, bullion production of Madsen Red Lake Gold Mines increased from $953,055 to $1,160,800 in the year ended Feb. 28, 1941.

As a result of higher output, net profits increased to $298,154, giving earnings of 8.5 cents a share against 8.4 cents the preceding year. With a liability of $352,530 incurred for purchase of mining claims, a $366 excess of current liabilities over current assets existed at Feb. 28, 1941, against $235,499 working capital a year previously.

Ore reserves were increased 109,960 tons to 464,340 tons averaging 0.176 oz. gold as at Feb. 28, 1941. A total of 141,109 tons was milled during the year.

The 5-6 ore body developed on the 5th level, proved equal in size to any ore body found on the upper levels. The shaft was continued to 1,250 ft. when drilling showed ore at depth.

Income and Surplus Account
Years Ended Last Day of February

	1941 $	1940 $
Bullion production ...	1,160,800	953,055
Less: Marketing	15,223	13,618
Net production	1,145,577	939,437
Less: Mining	221,263	183,793
Milling	129,711	130,759
Mine develop.	172,495	89,411
Gen. mine exp.	71,018	58,750
Head off. expense ..	26,440	21,378
Operat. profit	524,650	455,526
Add: Interest earned .	3,966	......
Total net income	528,616	455,526
Less: Depreciation ...	66,903	55,322
Development w/o ..	94,630	85,824
Outside exploration.	......	897
Prov. for taxes	68,929	21,000
Net profit	298,154	292,483
Less: Dividends	208,772	......
Surplus for year	89,382	292,483
Add: Prev. surplus ..	486,770	194,861
Less: Tax adjustment.	......	574
Surplus forward	576,152	486,770

Earnings per Share and Dividend Record:

Earned	$0.085	$0.084
Paid	0.06	nil
No. of Shs. Outstand..	3,499,528	3,479,528

Working Capital

	$	$
Current assets	405,168	306,735
Current liabilities	405,534	71,236
Working capital	*366	235,499

*Excess of current liabilities over current assets.

Mining Enquiries

San Antonio

How are operations going at San Antonio Gold Mines? Friends have suggested the company's shares as a "buy" but I wanted to get some information from you before making any commitment.

While San Antonio Gold Mines increased ore reserves by 50% in 1940 and a 200-ton increase in mill capacity is being placed in effect later this summer, these new developments have so far had no great effect on the price of the company's stock in 1941. In fact, shares have been somewhat weak recently with part of last year's gain lost.

Even with the mill increased from 330 to 530 tons daily, ore reserves—on the basis of the end of 1940—will still be equal to approximately four years' supply. Earnings last year were equal to 20 cents a share and a considerable increase can be expected when the increase in mill capacity goes into effect. It must be remembered, however, that taxation is heavier now and increased taxation may bear on the company disproportionately unless special consideration is given by the Dominion Government for stepping up output rate.

Prospects appear bright for a further increase in ore reserves during the present year. Work at depth has been giving excellent results.

McKenzie Red Lake

Production and profits of McKenzie Red Lake Gold Mines showed a decrease in 1940. Do you think the company is likely to do better this year? Is ore being mined being replaced by development?

During 1940 McKenzie Red Lake Gold Mines opened up practically two years' ore with a considerable amount of ore exposed in a new north ore zone. In the first quarter of this year, ore continued to be opened up at a high rate and higher production is now anticipated for this year. Earnings in 1940 at 11 cents a share are stated to have been below normal and some increase is quite possible this year.

Besides higher earnings being a prospect from the McKenzie Mine, the company in the not too far distant future is expected to start receiving income from McMarmac Red Lake Gold Mines which the company was instrumental in bringing into production. The McKenzie financial position is strong, with working capital at the end of 1940 amounting to approximately 20 cents a share.

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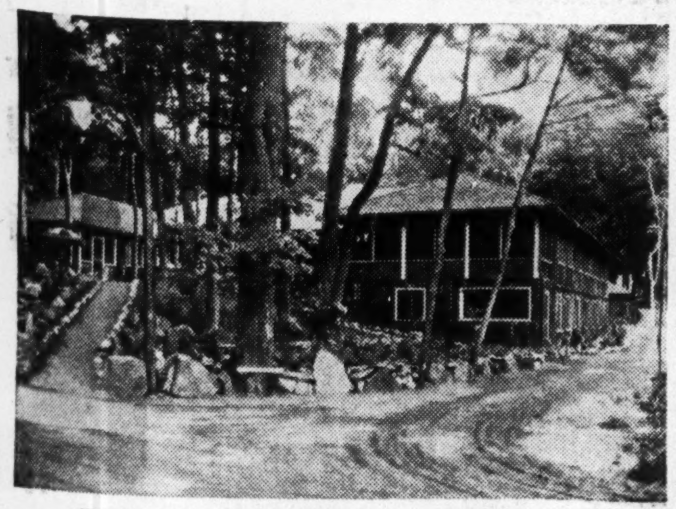

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Nine Mines That May Be 'Comers'

Last week The Financial Post reviewed the eleven mines that promise to come into production within the twelve-month. Here are some prospect properties at which present indications suggest eventual success.

By GORDON M. GRANT
Staff Writer, The Financial Post

Besides 11 coming producers reviewed here last week, Canada has a considerable number of properties that appear likely to become producers eventually. Some have already developed ore bodies, others have a longer path to tread and must confirm drill results by underground development.

Ingredients of success differ radically at these properties across Canada. What makes ore in an established camp may be just low grade in an outlying section. What would ordinarily be low grade may be highly profitable ore if widths are good and there is enough present to assure a big initial milling capacity—and low costs.

At no property is success definitely assured. But each mine has promising indications.

That new mines differ radically is not so surprising. Practically no two new mines are located in the same field. Principles of mining are the same in every camp but conditions camp to camp and mine to mine are often not even remotely the same. At National Malartic there may be several big ore bodies while at Vicour there may be numerous lenses of ore. At Laguerre present development is predicated on a single wide ore body.

Management Important

Generally speaking the mines most likely to succeed are those with strong financial backing and capable management. Granted good mine-making possibilities, these are the important ingredients of success. Most of the mines listed here can claim both strong financial sponsorship and capable and experienced management.

The more fully developed the mines are the greater is the certainty of final success if promising original indications have been verified. If the chief asset is drill indicated ore, wide ore sections such as have been proved up by National Malartic Gold Mines are usually the type that can be counted on to "come through" in underground exploration.

Financing Mill Construction

When the mill stage is reached the capital set-up often assumes great importance. Are there enough shares in the treasury to pay for a mill? Do the type of ore bodies lend themselves to borrowing at the bank for mill construction? Can the financial sponsors lend the money themselves to achieve production? Is floating a bond issue warranted? The answers supplied to these questions have a great influence on a property's future. Borrowing means deferment of dividends but the holding down of issued capital. On the other hand, reorganization will mean some dilution of shareholders' equity but initiation of dividends at perhaps an earlier date.

Here is the record now of developing Canadian mines:

National Malartic

Underground work completed from the workings of the adjoining Sladen-Malartic Mines has already shown that National Malartic Gold Mines is a sizeable mine. Now efforts are to be concentrated on finding out just how big a mine is indicated and the best size of mill to install.

So far underground work has been confined to the south ore zones. A shaft is now on its way down, however, which will allow exploration of an indicated north ore zone. Results obtained in this zone will have an important bearing on the company's future. Diamond drilling carried out from surface indicated much higher than average values for this zone. A total of 1,498 tons of ore per vertical foot averaging $7.57 cut grade before dilution was estimated for this section.

Development of the south ore bodies has been carried out extensively at the 350-ft. level from the Sladen workings. Crosscutting and horizontal diamond drill holes have shown widths up to 40 ft. with tonnage running 900 to 1,000 tons per vertical foot of $5.25 to $6.00 grade. More recent development of the west ore bodies revealed these to be materially higher grade than the east and central bodies of the south zone.

Tonnage Looks Large

If all drilling results are proved up underground with good vertical continuity, there is apparently a huge tonnage of ore indicated—perhaps 2,500 or 3,000 tons per vertical foot or maybe 2 to 3 million tons to the 1,000-ft. level. While it is not believed likely that an initial mill unit of over 1,000 tons daily will be installed, ore of these dimensions might justify an even larger mill installation.

With Noranda and Hollinger agreeing to enter the financing picture it is expected that all the funds needed for both development and mill construction will be available if the property responds to development. If National Malartic shareholders approve, 212,500 shares in the present company will be sold at 35 cents a share. A new 3,000,000-share company will later be formed if results are satisfactory with options on new stock at 70 cents. Approximately a million dollars would be provided under the agreement.

Brock Gold Mines

Following sinking of a shaft Brock Gold Mines is now proceeding with the development of its property at the 327 and 577-ft. horizons. Crosscuts have already reached the south ore zone indicated by drilling but some further time will be required for crosscuts to reach the north zone. No assays are yet available from work in the south area but surface drilling is stated to have indicated several veins in a mineralized zone.

Full details on preliminary surface drilling have not been revealed but the management states that Brock is a drill-indicated mine. Several drill holes released gave good intersections of commercial ore. The position of the company's property adjacent to Upper Canada Mines which has been extending its ore showings toward the Brock boundary has brought a keen interest in Brock results. Financing of work has been carried out by Federal Kirkland Gold Mining Co. and others. Details of this have not been revealed.

Vicour Gold Mines

Results at depth will determine the future of Vicour Gold Mines, operating in northern Quebec. Work carried out on the level established at 150 ft. depth has given sufficient information for an ore estimate of 330,800 tons of indicated ore of $4.80 grade to the 200-ft. horizon, taking gold at $35.

Shaft sinking has been commenced and the shaft opening will be carried to 470 ft. with further levels to be established at 300 and 450 ft. depth. Next work may be undertaken at the 450-ft. level, leaving the 300-ft. level for a further date if results at the 450-ft. level are encouraging.

Vicour ore occurs along a diorite dyke bounded by greenstones. Drifting is carried out in the dyke and crosscuts are run at regular intervals to explore the dyke north and south. By sorting, it is thought that ore grade might be increased to $7 or perhaps even $8 a ton.

Present work is being financed by Consolidated Smelters, Anglo-Huronian and Inspiration Mining and Development Co. Siscoe Gold Mines shared in development for a time.

Renabie Mines

Macassa's find northeast of Missanabie on the C. P. R. line, in the Sudbury area showed real indications of making a mine on diamond drilling. A mining plant was taken into the property last winter.

The property is now held by Renabie Mines—formed by Macassa to carry out development—with completion of shaft to 300 ft. expected about the middle of the summer. Development will be carried out on two levels.

Altogether four ore structures have been revealed by drilling on the 28-claim property. These have irregular widths up to 38 ft. Indicated ore is estimated at 320,718 tons of $5.87 cut or $7.28 uncut grade, taking gold at $35.

Of 1.5 million shares authorized, 697,585 were issued for properties and to provide $150,000 working capital. An option has been granted to Macassa to purchase 339,920 shares for $140,000. When this option is exercised the company will have provided $350,000 for which it will hold 800,000 shares out of a total issue of 1,037,505 shares, equivalent to approximately 77% of the issued capital and representing a cost of 46.25 cents per share.

McLellan Gold Mines

Sinking a shaft to a depth of 335 ft. is now under way at McLellan Gold Mines in the Little Long Lac area adjoining Little Long Lac Gold Mines and Magnet Consolidated Mines. A depth of 80 ft. has been reached.

When the shaft reaches its objective a programme of underground exploration will be undertaken on levels at 150 and 300 ft. to explore two indicated ore zones revealed by diamond drilling. The drilling was done along a section of 1,300 ft. to depths of 100 to 300 ft. A south ore zone averaging 15 ft. in width has an indicated 600 tons of ore per vertical foot of $5 grade. The 6-ft wide north zone shows 250 tons per vertical foot of $8 grade, it is stated.

To finance operations Haras Corporation has purchased 525,000 shares for $55,000 with options on an additional 1,375,000 shares to provide an additional $515,000 if fully exercised. If the ore zone responds to underground development it is possible that treatment of ore may be arranged at a neighboring mill.

Laguerre Gold Mines

The career of Laguerre Gold Mines illustrates the position luck plays in the development of a successful mining operation. Back when Kirkland Lake was just emerging as a mining camp work was carried out on part of the Laguerre property then known as the Harris-Maxwell property. Operations were not successful at this Larder Lake effort.

After lying dormant for many years in the ownership of Proprietary Mines the property was turned over to Raven River Gold Mines in 1934. A small 75-ton cyanide mill was installed and operated, but success always seemed to be just around the corner. Finally surface work indicated a fair ore shoot and the Raven River property and other claims were merged in Laguerre Gold Mines. But success still eluded the management's grasp. Drilling failed to confirm surface results.

It was practically decided to wind up the company at this time but a persistent geologist held out for a last drilling appropriation which did the trick. The best ore body in the company's history was located, new financing by rights was carried out, and a new shaft is being put down to take a look at conditions underground at the 250-ft. horizon. Drilling indicated a length of 300 ft. of ore averaging 20 to 25 ft. wide and grading about $7 per ton with gold at $35 per ton.

On Feb. 28, 1941, 1,750,000 shares were outstanding of an authorized capital of 3 million shares. Financing of present work was arranged through an offering of rights on the basis of one additional share at 25 cents for each share held.

Pascalis Consolidated

With its shaft completed to the 1,500-ft. horizon earlier this year, Pascalis Consolidated has now embarked on a programme of lateral exploration that might easily result in the development of a mine inside a year's time.

A large amount of diamond drilling was carried out before the shaft was put down, testing possibilities to as deep as 1,600 ft. along the north-south boundary of the two properties. Interesting intersections were secured in numerous holes which officials feel justified the expense of putting a shaft down to 1,500 ft. One hole north of and 200 ft. east of the boundary intersected 3.5 ft. running 0.53 oz. gold at 1,150 ft. depth. Another hole located to the north and in the boundary area showed five ore sections with the deepest at 1,150 ft. returning 6.9 ft. of 0.93 oz. material. Development on the adjoining Perron mine indicates the ore structures continue on strike into Pascalis, it is stated.

Levels have been established off the Pascalis shaft at 467, 667, 867, 1,067, 1,292, 1,542 ft. depth. Work is now being concentrated on the four bottom levels. The granodiorite area northwest of the shaft is indicated to be excellent prospecting ground from the structure and drilling.

Pascalis is well financed for its present programme. Working capital was over $110,000 at the end of 1940. Authorized capital is 3 million shares with 2,067,010 shares issued at the year end. Ventures has been providing the bulk of finances.

Smelters Ptarmigan

Already developed to the 600-ft. horizon, the Ptarmigan mine of Consolidated Smelters, in the Yellowknife area, will be developed for a further 300 ft. of depth this year. A decision regarding construction of a mill is being postponed pending results of this work.

A considerable tonnage of ore has been outlined by underground work already completed on the Ptarmigan property but average grade is lower than at the Con property, a highly successful Smelters operation in the same area.

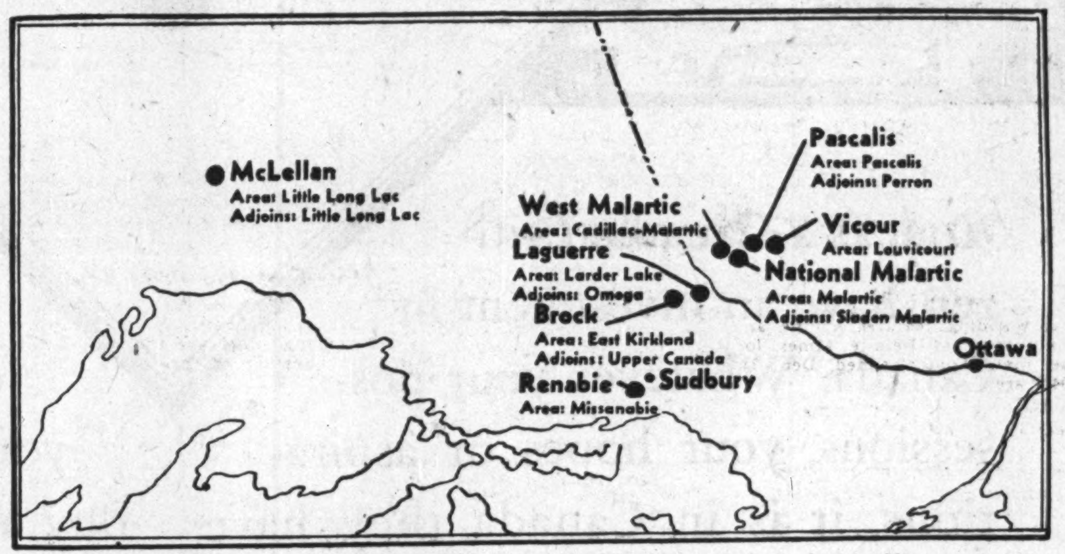
Completion of a hydro-electric power plant by Consolidated Smelters in the Yellowknife area is expected to result in a sharp reduction of power costs. This may be particularly important to Ptarmigan with its somewhat lower than average grade of ore.

West Malartic

Negotiations have been carried on recently by West Malartic Mines for installation of a 150-ton mill on the company's property lying between the main Malartic and Cadillac areas. According to an official, ore for approximately one year's requirements has been indicated by underground work. Grade is mentioned as around $10 a ton. Most of the ore is in the No. 1, 2 and 4 veins.

Development has been carried out from a shaft sunk 450 ft. with levels at 200, 325 and 450 ft. depth. No. 3 vein is stated to have been cut on the third level with a width of 18 ft. running $4.50. As this was a better value than secured immediately above, officials hope that values may be improving with depth.

Of an authorized capital of 3 million shares 2,034,665 had been issued late last year. Finances have been provided privately.



All but one of these prospects is located in the relatively small area shown above in Ontario and Quebec. The remaining property — Consolidated Smelters Ptarmigan — is located in one of Canada's youngest but most promising fields, Yellowknife, in the North West Territories.

Mining Concentrates

Big Missouri Mines Corp. directors have passed a resolution to delist company's stock on various exchanges as the company has no revenue and because of its financial position. Balance sheet as at Jan. 31, 1941, shows $989 cash against current liabilities of $17,546 including a $9,000 bank loan. Grade of ore at the Big Missouri mine is stated to be running just under the commercial limit. Tendency is still downward and this can only be checked by higher grade in north end, it is stated. An average ore grade of 0.07 oz. gold per ton is necessary to break even. Operating profit for year ended Jan. 31, 1941, including rents, was $6,806.

* * *

Bulolo Gold Dredging had an estimated working profit of 9,248 oz. gold in April from 13,733 oz. of production compared with 7,588 oz. operating profit and 11,610 oz. production the preceding month.

* * *

Central Zeballos Gold Mines production in April is reported at $20,159 compared with $18,009 in March, making a total of $77,260 for the first four months of 1941.

* * *

Cournor Mining Co. extended its working on the 687-689 vein in the Creek ore zone by drifting and slashing during April. This vein has now been opened for a length of 340 ft. with ore wider than the drift. In addition to this length, several small veins were found to branch out from the main structure. Raising from the back of the 688 ore body located another 4-ft. vein about 28 ft. above the 688 ore structure. Diamond drilling in the Cournor mine south of the 696 structure located a strong vein 4.3 ft. wide assaying 0.14 oz. per ton situated 220 ft. south of the collar of the drill hole. April production was $51,529 from 6,083 tons of ore.

* * *

Chesterville Larder Lake is making good progress in deepening its shaft to the 1,175-ft. horizon, from the present bottom level at 550 ft. This will allow the opening up of five new levels. The shaft is stated to be down below the 675-ft. level with some drifting already completed there.

* * *

Dentonia Mines is reported to have granted a lease on its original Greenwood, B.C., property. It is planned to ship out any ore encountered in development with Dentonia to receive a royalty.

* * *

Eastward Mines, in which Noranda owns 60% of the outstanding stock, plans diamond drilling its property adjoining Upper Canada Mines, eastern Kirkland Lake area, Ont. It is hoped to pick up the westward extension of the Upper Canada zone. Noranda will purchase 150,000 shares, 50,000 shares at 30 cents and 100,000 at 35 cents. In addition, Noranda receives an option on 1,349,994 shares at 40 cents to $1.

* * *

Falconbridge Nickel Mines has declared a dividend of 5 cents a share payable June 28, 1941, to shareholders of record May 30. A dividend of similar amount was paid April 4, 1941.

* * *

Little Long Lac Gold Mines plans to distribute as much to shareholders in dividends as possible while maintaining adequate reserves on hand, President Joseph Errington informed shareholders at the annual meeting. Drilling from the 15th and 16th levels has picked up what is believed to be the downward extension of the south vein with grade and values similar to those now being mined. Crosscut on the 16th level is to be completed this month.

* * *

Macassa Mines recorded an increase in bullion production in April:

1941:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
April	12,413	414	18.15	225,360
March	12,805	413	17.16	219,699

* * *

Northern Canada Mines has notified shareholders the claim for income tax against the predecessor company, Northern Canada Mining Corp., has been settled by payment of $15,000 to the Dominion Income Tax department. This payment also covers any claims which might have been made upon shareholders personally for taxes in connection with distribution of a million shares of Kirkland Lake Gold Mining Co. An option on Woco Gold Developments in the Woman Lake area has been allowed to lapse.

* * *

Quebec Gold Mining Corp. had a $42,839 net profit or 1 cent a share in the year ended Jan. 31, 1941, besides a $54,215 profit on securities. Net profit in 1940 was $39,376. Balance sheet as at Jan. 31, 1941, showed $668,496 current assets including $324,466 cash and $343,385 of securities with $715,837 market value. Current liabilities were $2,357. Shareholdings as at Jan. 31, 1941, were as follows:

Company:	Shs. Held
Big Missouri	459,000
Cournor Mining Co.	579,920
Pamour Porcupine	395,000
National Malartic G. M.*	423,504

*An additional 592,975 shares to be received for National Malartic Mining Co. shares held.

The $715,837 market value of securities does not include shares of Big Missouri Mining Corp., Cournor Mining Co. and National Malartic Gold Mines carried at $370,928.

* * *

Straw Lake Beach Gold Mines reports that May 15 option installment on 50,000 shares has not been exercised. Agreement has been terminated by mutual consent, $5,000 having been received for 125,000 shares.

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Urban Transit Taxed to Limit

Local Transport Traffic Swelled By War, Association Reports

Heavy demands are being made on urban transport facilities by the rapid expansion of war industries and the quickened pace of business, according to the annual survey by the Canadian Transit Association of street railway and bus operations. Staggered working hours and better control of traffic may soon be needed, says the Association, to help it meet the abnormal load on services.

Volume of operations in many centres has swelled 15 to 20% in the past few months. In some places, especially smaller centres where war supply and military activity is concentrated, the use of local transportation services has been doubled.

This is on top of steadily increasing gains in activity last year, which gave the transit industry an increase over 1939 of 9% in revenue passengers carried. Passenger volume rose from 632.5 millions in 1939 to just under 690 millions last year; revenues jumped from $40 millions to $43 millions.

Capacity Taxed

The sharp increase occurred despite continued increase in passenger auto registrations.

"Because of the transportation needs of war industries, local passenger services have been declared 'essential services'," says the Association. "Introduction of staggered hours, more efficient control of traffic, and restrictions of parking in rush hours are steps which may have to be taken to relieve a situation which is growing steadily worse."

Number of street cars operated last year dropped to 3,358 from 3,416 in 1939. Especially in smaller centres of Ontario, buses are being used increasingly. The larger cities such as Toronto, Montreal and Vancouver are still buying street cars and operating the same track systems, but in Winnipeg and Edmonton trolley buses are being substituted.

C.N.R. Revenue Reaches Record

April Net of $6.8 Millions Best in Road's History

From Our Own Correspondent

MONTREAL. — Net revenue of Canadian National Railways in April was the highest on record for that month and the third best for any month in the company's history.

Operating revenue was $24.6 millions, compared with $17.7 millions in April, 1940. Operating expenses amounted to $17.8 millions and $16 millions, respectively, leaving net revenue of $6.8 millions and $1.7 million.

Operating revenue in the four months to April 30 totalled $89.3 millions, compared with $71 millions, an increase of $18.3 millions. Net revenue in the four months increased from $7.2 millions to $17.5 millions, an increase of $10.4 millions.

Following are comparative figures:

Operating Statement

April	1941 $	1940 $
Operating revenue..	24,648,899	17,666,164
Operating expenses	17,849,537	15,977,183
Net revenue	6,799,362	1,688,981
Four Months To April 30:		
Operating revenue..	89,347,366	71,040,279
Operating expenses	71,856,438	63,913,337
Net revenue	17,490,928	7,126,942

Beauharnois Bill Is Adopted

Quebec to Take Over Plant and Start Own Electric System

From Our Own Correspondent

MONTREAL. — The Quebec Provincial Legislature has given final adoption to the bill giving the province power to acquire the Beauharnois Light, Heat & Power Co. Two other related measures which were to give the province power to enter into an agreement with the Dominion over the canalization of the St. Lawrence and one giving authority to establish a publicly owned hydro-electric system in Quebec, were also adopted.

No word is yet available as to when first steps will be taken to put into effect the Beauharnois bill. It is provided that the province can acquire the assets and assume the liabilities of the present Beauharnois Co., either by agreement or expropriation. Quebec province is to get $8 millions from the Dominion as part compensation for the liabilities it takes on in acquiring the Beauharnois project.

Dual Wartime Job Seen For Business

Must Aid War Effort and Maintain Normal Flow of Trade

The dual wartime job of business groups, to aid Canada's war effort and hold business on an even keel, was stressed at the annual meeting of the Montreal Advertising and Sales Executive Club by William C. Stannard, newly elected president. He said:

"It is important also that our business and industries be kept in a healthy position to resume normal operations quickly and absorb men released from war services when hostilities cease."

Other officers elected along with Mr. Stannard, who succeeds Rene B. Perrault, are:

A. H. CARTER, honorary president.
L. W. VEZINA, first vice-president.
M. R CHIPMAN, second vice-president.
G. DUTAUD, K.C., hon. legal adviser.
R. SCHURMAN, C.A., hon. auditor.

Directors: A. P. Darcel, F. H. Dillingham, J. C. Emo, R. Y. Graul, A. E. Hyndman, B. W. Keightley, A. L. Keymer, D. O. Riddell, G. H. Roberts, J. A. Shaw, W. J. Singleton, G. A. Slemin, H. A. Watts, and R. S. White.

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New Building

Reported by Engineering & Contract Record:

Ford Hotels Co. has brought its new Lord Elgin Hotel in Ottawa a step nearer completion with award of subcontract for painting and glazing.

Engineering Products of Canada is starting construction of $150,000 plant in Montreal.

Vancouver General Hospital is having plans prepared for $400,000 unit of 200 beds designed to accommodate patients of moderate income.

Royal Insurance Co. is having alterations made to office building on Place d'Armes, Montreal.

R. C. A. Victor Co. has started work on construction of $100,000 addition to plant in Montreal.

Montreal Locomotive Works Ltd. has awarded various subcontracts in connection with $1 million plant development at Montreal.

B. C. Electric Railway Co. has placed orders for turbines and boilers in connection with $750,000 power development at Victoria.

Economic Investment Holdings Resist Decline

Increase in income to $165,832 from $140,712 experienced by Economic Investment Trust in its 1941 fiscal year was due in part to payments of dividend arrears on preferred stocks held by the Trust, according to Glyn Osler, chairman of the board, at the recent annual meeting.

Market values of the portfolio dropped from $2,838,000 to $2,424,000 in the year, a fall of 15% compared with a decline of 25% in the Toronto Stock Exchange averages over the same period.

Improved income in the 1941 fiscal year permitted raising dividend payments from $1.75 to $2. The current year is commencing fairly well, according to Mr. Osler, but it is hardly to be expected that income will maintain the level of last year in the face of increased taxation.

Manitoba Loan Group Names New Officers

At the recently held 33rd annual meeting of the Mortgage Loans Association of Manitoba, Winnipeg, Sidney Grimble was elected president of the association for 1941-42. Mr. Grimble, of Credit Foncier Franco-Canadian, also served in 1940-41. Vice-presidents will be A. R. Purchase of the Mutual Life of Canada, R. W. Pearson of the National Trust Co. and W. E. Hobbs of the Hudson's Bay Co.

The first annual meeting of the association was held in 1908, when the late Sir Augustus M. Nanton was elected president.